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PRESIDENT ROOSEVELT AND HIS CABINET

The Roosevelt Policy

Speeches, Letters and State Papers, relating to Corporate Wealth and Closely Allied Topics

By

Theodore Roosevelt

Edited by

William Griffith

VOLUME TWO

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THE ROOSEVELT POLICY

RAILROAD DISCRIMINATIONS IN COAL AND OIL

A MESSAGE OF THE PRESIDENT SENT TO CONGRESS MARCH 7, 1906

I HAVE signed the joint resolution "instructing the Interstate Commerce Commission to make examinations into the subject of railroad discriminations and monopolies in coal and oil, and report on the same from time to time." I have signed it with hesitation because in the form in which it was passed it achieves very little and may achieve nothing; and it is highly undesirable that a resolution of this kind shall become law in such form as to give the impression of insincerity; that is, of pretending to do something which really is not done. But after much hesitation, I concluded to sign the resolution because its defects can be remedied by legislation which I hereby ask for; and it must be understood that unless this subsequent legislation is granted the present resolution must be mainly, and may be entirely, inoperative.

Before specifying what this legislation is, I wish to call attention to one or two preliminary facts. In the first place, a part of the investigation requested by the House of Representatives

in the resolution adopted February 15, 1905, relating to the oil industry, and a further part having to do with the anthracite coal industry, has been for some time under investigation by the Department of Commerce and Labor. These investigations, I am informed, are approaching completion, and before Congress adjourns I shall submit to you the preliminary reports of these investigations. Until these reports are completed the Interstate Commerce Commission could not endeavor to carry out so much of the resolution of Congress as refers to the ground thus already covered without running the risk of seeing the two investigations conflict, and therefore render each other more or less nugatory. In the second place, I call your attention to the fact that if an investigation of the nature proposed in this joint resolution is thoroughly and effectively conducted, it will result in giving immunity from criminal prosecution to all persons who are called, sworn and constrained by compulsory process of law to testify as witnesses; though of course such immunity from prosecution is not given to those from whom statements or information, merely, in contradistinction to sworn testimony, is obtained. This is not at all to say that such investigations should not be undertaken. Publicity can by itself often accomplish extraordinary results for good; and the court of public judgment may secure such results where the courts of law are powerless. There are many cases where an investigation securing complete publicity about abuses and giving Congress the material on which to proceed in the enactment of laws, is more useful than a criminal prosecution can pos-

sibly be. But it should not be provided for by law without a clear understanding that it may be an alternative instead of an additional remedy; that is, that to carry on the investigation may serve as a bar to the successful prosecution of the offenses disclosed. The official body directed by Congress to make the investigation must, of course, carry out its direction, and therefore the direction should not be given without full appreciation of what it means.

But the direction contained in the joint resolution which I have signed will remain almost inoperative unless money is provided to carry out the investigations in question, and unless the Commission in carrying them out is authorized to administer oaths and compel the attendance of witnesses. As the resolution now is, the Commission, which is very busy with its legitimate work and which has no extra money at its disposal, would be able to make the investigation only in the most partial and unsatisfactory manner; and moreover it is questionable whether it could, under this resolution, administer oaths at all or compel the attendance of witnesses. If this power were disputed by the parties investigated the investigation would be held up for a year or two until the courts passed upon it, in which case, during the period of waiting, the Commission could only investigate to the extent and in the manner already provided under its organic law; so that the passage of the resolution would have achieved no good result whatever.

I accordingly recommend to Congress the serious consideration of just what they wish the Commission to do, and how far they wish it to

go, having in view the possible incompatibility of conducting an investigation like this and of also proceeding criminally in a court of law; and furthermore, that a sufficient sum, say fifty thousand dollars, be at once added to the current appropriation for the Commission so as to enable them to do the work indicated in a thorough and complete manner; while at the same time the power is explicitly conferred upon them to administer oaths and compel the attendance of witnesses in making the investigation in question, which covers work quite apart from their usual duties. It seems unwise to require an investigation by a commission and then not to furnish either the full legal power or the money, both of which are necessary to render the investigation effective.

DEMANDS OF LABOR ORGANIZATIONS

ADDRESS TO THE EXECUTIVE COUNCIL OF THE AMERICAN FEDERATION OF LABOR AND OTHER LABOR REPRESENTATIVES, AT THE WHITE HOUSE, MARCH 21, 1906

Gentlemen:

If your body objects to the passage of the proposed anti-injunction bill I have no question that you can stop it, for there is not a capitalist concerned who simply as capitalist is not against it; though I believe that a goodly number both of capitalists and wage-workers who are concerned primarily as citizens favor it. The law was worked over and substantially whipped into its present shape at a number of conferences

between representatives of the railroad organizations, of the Department of Justice, and of the Bureau of Corporations with me. It goes as far as I personally think it should go in limiting the right of injunction; at any rate, no arguments have hitherto been advanced which make me think it should go farther. I do not believe it has any chance of passing, because there has been great criticism in both Houses of Congress against the attitude of the Administration in going so far as we have gone; and if you think it is not far enough, why, you will have no earthly difficulty in killing the bill.

Personally, I think the proposed law a most admirable one, and I very sincerely wish it would be put through. As for the right of injunction, it is absolutely necessary to have this power lodged in the courts; though of course any abuse of the power is strongly to be reprobated. During the four and a half years that I have been President I do not remember an instance where the Government has invoked the right of injunction against a combination of laborers. We have invoked it certainly a score of times against combinations of capital; I think possibly oftener. Thus, though we have secured the issuance of injunctions in a number of cases against capitalistic combinations, it has happened that we have never tried to secure an injunction against a combination of labor. But understand me, gentlemen; if I ever thought it necessary, if I thought a combination of laborers were doing wrong, I would apply for an injunction against them just as quick as against so many capitalists.

Now I come to the general subject of your petition. I wish in the first place to state my

regret that you did not divorce so much of the petition as refers to the action of the Executive from so much as refers to the action of the legislative branch, because I can not consider any petition that you make that reflects upon the coordinate branch of the Government, or that makes any charges whatever against it. I would not even receive it save for the fact that in part it affects the Executive. Therefore in what I have to say I shall limit myself solely to what you assert in reference to the acts of the Executive.

You speak of the eight-hour law. Your criticism, so far as it relates to the Executive, bears upon the signature of the appropriation bill containing the money for expenditure on the Panama Canal, with the proviso that the eight-hour law shall not there apply. If your statement is intended to mean that no opportunity was given for a hearing before me, then the statement is not in accordance with the facts. There was ample opportunity, but not a single request for such a hearing came to me. I received, however, some hundreds of telegrams and letters requesting the veto of the entire appropriation bill because it contained that proviso. Frankly, I found it difficult to believe that you were writing and telegraphing with any kind of knowledge of the conditions in the case. I believe emphatically in the eight-hour law for our own people in our own country. But the conditions of labor such as we have to work with in the tropics are so absolutely different that there is no possible analogy between them; and an eight-hour law for the Panama Canal is an absurdity. Every one of you knows that we can not get

white labor, can not get labor of the United States, to go down to Panama and work. We are driven to extremities in the effort to get any kind of labor at all. Just at the moment we are working chiefly with negro labor from the West Indies. The usual result in the employment of those men is that Monday and Tuesday they work fairly well, Wednesday and Thursday there is a marked falling off, and by Friday and Saturday not more than a half, sometimes less than a fourth, of the laborers will be at work. The conditions that make the eight-hour law proper here have no possible reference to the conditions that make the eight-hour law entirely improper there. The conditions are so utterly different on the Isthmus, as compared to here, that it is impossible to try to draw conclusions affecting the one from what is true about the other. You hamper me in the effort to get for you what I think you ought to have in connection with the eight-hour law when you make a request that is indefensible, and to grant which would mean indefinite delay and injury to the work on the Isthmus.

As to the violations of the eight-hour law, Mr. Morrison, you give me no specifications. At your earliest convenience please lay before me in detail any complaints you have of violations of the eight-hour law. Where I have power I will see that the law is obeyed. All I ask is that you give me the cases. I will take them up, and if they prove to be sustained by the facts I shall see that the law is enforced.

Now, about the Chinese exclusion. The number of Chinese now in this country is, if I remember aright, some sixty or seventy thousand.

So far from there being a great influx of the Chinese, the fact is that the number has steadily decreased. There are fewer Chinese than there were ten years ago, fewer than there were twenty years ago, fewer than there were thirty years ago. Unquestionably some scores of cases occur each year where Chinese laborers get in either by being smuggled over the Mexican and Canadian borders, or by coming in under false certificates; but the steps that we have taken, the changes in the consuls that have been made within the last few years in the Orient, and the effort to conduct examinations in China before the immigrants are allowed to come here, are materially reducing even the small number of cases that do occur. But even as it is the number of these cases is insignificant. There is no appreciable influx of Chinese laborers, and there is not the slightest or most remote danger of any; the whole scare that has been worked up on the subject is a pure chimera. It is my deep conviction that we must keep out of this country every Chinese laborer, skilled or unskilled — every Chinaman of the coolie class. This is what the proposed law will do; it will be done as effectively as under the present law; and the present law is being handled with the utmost efficiency. But I will do everything in my power to make it easy and desirable for the Chinese of the business and professional classes, the Chinese travelers and students, to come here, and I will do all I can to secure their good treatment when they come; and no laboring man has anything whatever to fear from that policy. I have a right to challenge you as good American citizens to support that policy; and in any event I shall

stand unflinchingly for it; and no man can say with sincerity that on this, or indeed on any other point, he has any excuse for misunderstanding my policy.

You have spoken of the immigration laws. I believe not merely that all possible steps should be taken to prevent the importation of laborers under any form, but I believe further that this country ought to make a resolute effort from now on to prevent the coming to the country of men with a standard of living so low that they tend, by entering into unfair competition with, to reduce the standard of living of our own people. Not one of you can go farther than I will go in the effort steadily to raise the status of the American wage-worker, so long as, while doing it, I can retain a clear conscience and the certainty that I am doing what is right. I will do all in my power for the laboring man except to do what is wrong; and I will not do that for him or for any one else.

We must not let our national sentiment for succoring the oppressed and unfortunate of other lands lead us into that warped moral and mental attitude of trying to succor them at the expense of pulling down our own people. Laws should be enacted to keep out all immigrants who do not show that they have the right stuff in them to enter into our life on terms of decent equality with our own citizens. This is needed first, in the interest of the laboring man, but furthermore in the interests of all of us as American citizens; for, gentlemen, the bonds that unite all good American citizens are stronger by far than the differences, which I think you accentuate altogether too much, between the men who do one

kind of labor and the men who do another. As for immigrants, we can not have too many of the right kind; and we should have none at all of the wrong kind; and they are of the right kind if we can be fairly sure that their children and grandchildren can meet on terms of equality our children and grandchildren, so as to try to be decent citizens together and to work together for the uplifting of the Republic.

Now a word as to the petitioning of employees to Congress. That stands in no shape or way on a par with the petitioning of men not employed by the Government. I can not have and will not have when I can prevent it men who are concerned in the administration of Government affairs going to Congress and asking for increased pay, without the permission of the heads of the departments. Their business is to come through the heads of departments. This applies to postmasters, to Army and Navy officers, to clerks in the Government departments, to laborers; it applies to each and all, and must apply, as a matter of simple discipline.

JUDGE HUMPHREY'S "IMMUNITY" DECISION IN THE CASE OF THE BEEF-PACKERS

A MESSAGE OF THE PRESIDENT SENT TO CONGRESS APRIL 18, 1906

I SUBMIT herewith a letter of the Attorney-General, enclosing a statement of the proceedings by the United States against the individuals and corporations commonly known as the "Beef-Packers," and commenting upon the decision of

District Judge Humphrey. The result has been a miscarriage of justice. It clearly appears from the letter of the Attorney-General that no criticism whatever attaches to Commissioner Garfield; what he did was in strict accordance with the law and in pursuance of a duty imposed on him by Congress, which could not be avoided; and of course Congress in passing the Martin resolution could not possibly have foreseen the decision of Judge Humphrey.

But this interpretation by Judge Humphrey of the will of the Congress, as expressed in legislation, is such as to make that will absolutely abortive. Unfortunately, there is grave doubt whether the Government has the right of appeal from this decision of the District Judge. The case well illustrates the desirability of conferring upon the Government the same right of appeal in criminal cases, on questions of law, which the defendant now has, in all cases where the defendant had not been put in jeopardy by a trial upon the merits of the charge made against him. The laws of many of the States, and the law of the District of Columbia, recently enacted by the Congress, give the Government the right of appeal. A general law of the character indicated should certainly be enacted.

Furthermore, it is very desirable to enact a law declaring the true construction of the existing legislation so far as it affects immunity. I can hardly believe that the ruling of Judge Humphrey will be followed by other judges; but if it should be followed, the result would be either completely to nullify very much, and possibly the major part, of the good to be obtained from the interstate commerce law and from the law cre-

ating the Bureau of Corporations in the Department of Commerce and Labor; or else frequently to obstruct an appeal to the criminal laws by the Department of Justice. There seems to be no good reason why the Department of Justice, the Department of Commerce and Labor, and the Interstate Commerce Commission, each, should not for the common good, proceed within its own powers without undue interference with the functions of the other. It is, of course, necessary, under the Constitution and the laws, that persons who give testimony or produce evidence, as witnesses, should receive immunity from prosecution. It has hitherto been supposed that the immunity conferred by existing laws was only upon persons who, being subpœnaed, had given testimony or produced evidence, as witnesses, relating to any offence with which they were, or might be, charged. But Judge Humphrey's decision is, in effect, that, if either the Commissioner of Corporations does his duty, or the Interstate Commerce Commission does its, by making the investigations which they by law are required to make, though they issue no subpœna and receive no testimony or evidence, within the proper meaning of those words, the very fact of the investigation may, of itself, operate to prevent the prosecution of any offender for any offence which may have been developed in even the most indirect manner during the course of the investigation, or even for any offence which may have been detected by investigations conducted by the Department of Justice entirely independently of the labors of the Interstate Commerce Commission or of the Commissioner of Corporations — the only condition

of immunity being that the offender should have given, or directed to be given, information which related to the subject out of which the offence has grown.

In offences of this kind it is at the best hard enough to execute justice upon offenders. Our system of criminal jurisprudence has descended to us from a period when the danger was lest the accused should not have his rights adequately preserved, and it is admirably framed to meet this danger. But at present the danger is just the reverse; that is, the danger nowadays is, not that the innocent man will be convicted of crime, but that the guilty man will go scot-free. This is especially the case where the crime is one of greed and cunning, perpetrated by a man of wealth in the course of those business operations where the code of conduct is at variance, not merely with the code of humanity and morality, but with the code as established in the law of the land. It is much easier, but much less effective, to proceed against a corporation, than to proceed against the individuals in that corporation who are themselves responsible for the wrong-doing. Very naturally outside persons who have no knowledge of the facts, and no responsibility for the success of the proceedings, are apt to clamor for action against the individuals. The Department of Justice has, most wisely, invariably refused thus to proceed against individuals, unless it was convinced both that they were in fact guilty and that there was at least a reasonable chance of establishing this fact of their guilt. These beef-packing cases offered one of the very few instances where there was not only the moral certainty that the accused men

were guilty, but what seemed — and now seems — sufficient legal evidence of the fact.

But in obedience to the explicit orders of the Congress the Commissioner of Corporations had investigated the beef-packing business. The counsel for the beef-packers explicitly admitted that there was no claim that any promise of immunity had been given by Mr. Garfield, as shown by the following colloquy during the argument of the Attorney-General:

Mr. Moody. ". . . I dismiss almost with a word the claim that Mr. Garfield promised immunity. Whether there is any evidence of such a promise or not, I do not know and I do not care."

Mr. Miller (the counsel for the beef-packers). "There is no claim of it."

Mr. Moody. "Then I was mistaken, and I will not even say that word."

But Judge Humphrey holds that if the Commissioner of Corporations (and therefore if the Interstate Commerce Commission), in the course of any investigations prescribed by Congress, asks any questions of a person, not called as a witness, or asks any questions of an officer of a corporation, not called as a witness, with regard to the action of the corporation on a subject out of which prosecutions may subsequently arise, then the fact of such questions having been asked operates as a bar to the prosecution of that person or of that officer of the corporation for his own misdeeds.

Such interpretation of the law comes measurably near making the law a farce; and I therefore recommend that the Congress pass a declaratory act stating its real intention.

MUCK-RAKERS

ADDRESS DELIVERED APRIL 14, 1906, AT THE LAYING OF THE CORNER-STONE OF THE OFFICE BUILDING OF THE HOUSE OF REPRESENTATIVES

Over a century ago Washington laid the corner-stone of the Capitol in what was then little more than a tract of wooded wilderness here beside the Potomac. We now find it necessary to provide by great additional buildings for the business of the Government. This growth in the need for the housing of the Government is but a proof and example of the way in which the nation has grown and the sphere of action of the National Government has grown. We now administer the affairs of a nation in which the extraordinary growth of population has been outstripped by the growth of wealth and the growth in complex interests. The material problems that face us to-day are not such as they were in Washington's time, but the underlying facts of human nature are the same now as they were then. Under altered external form we war with the same tendencies toward evil that were evident in Washington's time, and are helped by the same tendencies for good. It is about some of these that I wish to say a word to-day.

In Bunyan's "Pilgrim's Progress" you may recall the description of the Man with the Muck-rake, the man who could look no way but downward, with the muck-rake in his hand; who was offered a celestial crown for his muck-rake, but who would neither look up nor regard the crown

he was offered, but continued to rake to himself the filth of the floor.

In "Pilgrim's Progress" the Man with the Muck-rake is set forth as the example of him whose vision is fixed on carnal instead of on spiritual things. Yet he also typifies the man who in this life consistently refuses to see aught that is lofty, and fixes his eyes with solemn intentness only on that which is vile and debasing. Now, it is very necessary that we should not flinch from seeing what is vile and debasing. There is filth on the floor, and it must be scraped up with the muck-rake; and there are times and places where this service is the most needed of all the services that can be performed. But the man who never does anything else, who never thinks or speaks or writes save of his feats with the muck-rake, speedily becomes, not a help to society, not an incitement to good, but one of the most potent forces for evil.

There are, in the body politic, economic and social, many and grave evils, and there is urgent necessity for the sternest war upon them. There should be relentless exposure of and attack upon every evil man whether politician or business man, every evil practice, whether in politics, in business, or in social life. I hail as a benefactor every writer or speaker, every man who, on the platform, or in book, magazine, or newspaper, with merciless severity makes such attack, provided always that he in his turn remembers that the attack is of use only if it is absolutely truthful. The liar is no whit better than the thief, and if his mendacity takes the form of slander, he may be worse than most thieves. It puts a premium upon knavery untruthfully to attack

an honest man, or even with hysterical exaggeration to assail a bad man with untruth. An epidemic of indiscriminate assault upon character does not good, but very great harm. The soul of every scoundrel is gladdened whenever an honest man is assailed, or even when a scoundrel is untruthfully assailed.

Now, it is easy to twist out of shape what I have just said, easy to affect to misunderstand it, and, if it is slurred over in repetition, not difficult really to misunderstand it. Some persons are sincerely incapable of understanding that to denounce mud-slinging does not mean the indorsement of whitewashing; and both the interested individuals who need whitewashing, and those others who practice mud-slinging, like to encourage such confusion of ideas. One of the chief counts against those who make indiscriminate assault upon men in business or men in public life is that they invite a reaction which is sure to tell powerfully in favor of the unscrupulous scoundrel who really ought to be attacked, who ought to be exposed, who ought, if possible, to be put in the penitentiary. If Aristides is praised overmuch as just, people get tired of hearing it; and overcensure of the unjust finally and from similar reasons results in their favor.

Any excess is almost sure to invite a reaction; and, unfortunately, the reaction, instead of taking the form of punishment of those guilty of the excess, is very apt to take the form either of punishment of the unoffending or of giving immunity, and even strength, to offenders. The effort to make financial or political profit out of the destruction of character can only result in

public calamity. Gross and reckless assaults on character, whether on the stump or in newspaper, magazine, or book, create a morbid and vicious public sentiment, and at the same time act as a profound deterrent to able men of normal sensitiveness and tend to prevent them from entering the public service at any price. As an instance in point, I may mention that one serious difficulty encountered in getting the right type of men to dig the Panama Canal is the certainty that they will be exposed, both without, and, I am sorry to say, sometimes within, Congress, to utterly reckless assaults on their character and capacity.

At the risk of repetition let me say again that my plea is, not for immunity to but for the most unsparing exposure of the politician who betrays his trust, of the big business man who makes or spends his fortune in illegitimate or corrupt ways. There should be a resolute effort to hunt every such man out of the position he has disgraced. Expose the crime, and hunt down the criminal; but remember that even in the case of crime, if it is attacked in sensational, lurid, and untruthful fashion, the attack may do more damage to the public mind than the crime itself. It is because I feel that there should be no rest in the endless war against the forces of evil that I ask that the war be conducted with sanity as well as with resolution. The men with the muck-rakes are often indispensable to the well-being of society; but only if they know when to stop raking the muck, and to look upward to the celestial crown above them, to the crown of worthy endeavor. There are beautiful things above and round about them; and if they grad-

ually grow to feel that the whole world is nothing but muck, their power of usefulness is gone. If the whole picture is painted black there remains no hue whereby to single out the rascals for distinction from their fellows. Such painting finally induces a kind of moral color-blindness; and people affected by it come to the conclusion that no man is really black, and no man really white, but they are all gray. In other words, they neither believe in the truth of the attack, nor in the honesty of the man who is attacked; they grow as suspicious of the accusation as of the offence; it becomes well-nigh hopeless to stir them either to wrath against wrong-doing or to enthusiasm for what is right; and such a mental attitude in the public gives hope to every knave, and is the despair of honest men.

To assail the great and admitted evils of our political and industrial life with such crude and sweeping generalizations as to include decent men in the general condemnation means the searing of the public conscience. There results a general attitude either of cynical belief in and indifference to public corruption or else of a distrustful inability to discriminate between the good and the bad. Either attitude is fraught with untold damage to the country as a whole. The fool who has not sense to discriminate between what is good and what is bad is well-nigh as dangerous as the man who does discriminate and yet chooses the bad. There is nothing more distressing to every good patriot, to every good American, than the hard, scoffing spirit which treats the allegation of dishonesty in a public man as a cause for laughter. Such laughter is worse than the cracking of thorns under a pot,

for it denotes not merely the vacant mind, but the heart in which high emotions have been choked before they could grow to fruition.

There is any amount of good in the world, and there never was a time when loftier and more disinterested work for the betterment of mankind was being done than now. The forces that tend for evil are great and terrible, but the forces of truth and love and courage and honesty and generosity and sympathy are also stronger than ever before. It is a foolish and timid no less than a wicked thing, to blink the fact that the forces of evil are strong, but it is even worse to fail to take into account the strength of the forces that tell for good. Hysterical sensationalism is the very poorest weapon wherewith to fight for lasting righteousness. The men who with stern sobriety and truth assail the many evils of our time, whether in the public press, or in magazines, or in books, are the leaders and allies of all engaged in the work for social and political betterment. But if they give good reason for distrust of what they say, if they chill the ardor of those who demand truth as a primary virtue they thereby betray the good cause and play into the hands of the very men against whom they are nominally at war.

In his "Ecclesiastical Polity," that fine old Elizabethan divine, Bishop Hooker, wrote:

"He that goeth about to persuade a multitude that they are not so well governed as they ought to be, shall never want attentive and favorable hearers; because they know the manifold defects whereunto every kind of regimen is subject; but the secret lets and difficulties, which in public proceedings are innumerable and inevitable, they

have not ordinarily the judgment to consider."

This truth should be kept constantly in mind by every free people desiring to preserve the sanity and poise indispensable to the permanent success of self-government. Yet, on the other hand, it is vital not to permit this spirit of sanity and self-command to degenerate into mere mental stagnation. Bad though a state of hysterical excitement is, and evil though the results are which come from the violent oscillations such excitement invariably produces, yet a sodden acquiescence in evil is even worse. At this moment we are passing through a period of great unrest — social, political, and industrial unrest. It is of the utmost importance for our future that this should prove to be not the unrest of mere rebelliousness against life, of mere dissatisfaction with the inevitable inequality of conditions, but the unrest of a resolute and eager ambition to secure the betterment of the individual and the nation. So far as this movement of agitation throughout the country takes the form of a fierce discontent with evil, of a determination to punish the authors of evil, whether in industry or politics, the feeling is to be heartily welcomed as a sign of healthy life.

If, on the other hand, it turns into a mere crusade of appetite against appetite, of a contest between the brutal greed of the "have-nots" and the brutal greed of the "haves," then it has no significance for good, but only for evil. If it seeks to establish a line of cleavage, not along the line which divides good men from bad, but along that other line, running at right angles thereto, which divides those who are well off from those who are less

well off, then it will be fraught with immeasurable harm to the body politic.

We can no more and no less afford to condone evil in the man of capital than evil in the man of no capital. The wealthy man who exults because there is a failure of justice in the effort to bring some trust magnate to an account for his misdeeds is as bad as, and no worse than, the so-called labor leader who clamorously strives to excite a foul class feeling on behalf of some other labor leader who is implicated in murder. One attitude is as bad as the other, and no worse; in each case the accused is entitled to exact justice; and in neither case is there need of action by others which can be construed into an expression of sympathy for crime.

It is a prime necessity that if the present unrest is to result in permanent good the emotion shall be translated into action, and that the action shall be marked by honesty, sanity, and self-restraint. There is mighty little good in a mere spasm of reform. The reform that counts is that which comes through steady, continuous growth; violent emotionalism leads to exhaustion.

It is important to this people to grapple with the problems connected with the amassing of enormous fortunes, and the use of those fortunes, both corporate and individual, in business. We should discriminate in the sharpest way between fortunes well-won and the fortunes ill-won; between those gained as an incident to performing great services to the community as a whole, and those gained in evil fashion by keeping just within the limits of mere law-honesty. Of

course no amount of charity in spending such fortunes in any way compensates for misconduct in making them. As a matter of personal conviction, and without pretending to discuss the details or formulate the system I feel that we shall ultimately have to consider the adoption of some such scheme as that of a progressive tax on all fortunes, beyond a certain amount, either given in life or devised or bequeathed upon death to any individual — a tax so framed as to put it out of the power of the owner of one of these enormous fortunes to hand on more than a certain amount to any one individual; the tax, of course, to be imposed by the National and not the State government. Such taxation should, of course, be aimed merely at the inheritance or transmission in their entirety of those fortunes swollen beyond all healthy limits.

Again, the National Government must in some form exercise supervision over corporations engaged in interstate business — and all large corporations are engaged in interstate business — whether by license or otherwise, so as to permit us to deal with the far-reaching evils of overcapitalization. This year we are making a beginning in the direction of serious effort to settle some of these economic problems by the railway-rate legislation. Such legislation, if so framed, as I am sure it will be, as to secure definite and tangible results, will amount to something of itself; and it will amount to a great deal more in so far as it is taken as a first step in the direction of a policy of superintendence and control over corporate wealth engaged in interstate commerce, this superintendence and control not to be exercised in a spirit of malev-

olence toward the men who have created the wealth, but with the firm purpose both to do justice to them and to see that they in their turn do justice to the public at large.

The first requisite in the public servants who are to deal in this shape with corporations, whether as legislators or as executives, is honesty. This honesty can be no respecter of persons. There can be no such thing as unilateral honesty. The danger is not really from corrupt corporations; it springs from the corruption itself, whether exercised for or against corporations.

The eighth commandment reads, "Thou shalt not steal." It does not read, "Thou shalt not steal from the rich man." It does not read, "Thou shalt not steal from the poor man." It reads simply and plainly, "Thou shalt not steal." No good whatever will come from that warped and mock morality which denounces the misdeeds of men of wealth and forgets the misdeeds practiced at their expense; which denounces bribery, but blinds itself to blackmail; which foams with rage if a corporation secures favors by improper methods, and merely leers with hideous mirth if the corporation is itself wronged. The only public servant who can be trusted honestly to protect the rights of the public against the misdeed of a corporation is that public man who will just as surely protect the corporation itself from wrongful aggression. If a public man is willing to yield to popular clamor and do wrong to the men of wealth or to rich corporations, it may be set down as certain that if the opportunity comes he will

secretly and furtively do wrong to the public in the interest of a corporation.

But, in addition to honesty, we need sanity. No honesty will make a public man useful if that man is timid or foolish, if he is a hot-headed zealot or an impracticable visionary. As we strive for reform we find that it is not at all merely the case of a long uphill pull. On the contrary, there is almost as much of breeching work as of collar work; to depend only on traces means that there will soon be a runaway and an upset. The men of wealth who to-day are trying to prevent the regulation and control of their business in the interest of the public by the proper Government authorities will not succeed, in my judgment, in checking the progress of the movement. But if they did succeed they would find that they had sown the wind and would surely reap the whirlwind, for they would ultimately provoke the violent excesses which accompany a reform coming by convulsion instead of by steady and natural growth.

On the other hand, the wild preachers of unrest and discontent, the wild agitators against the entire existing order, the men who act crookedly, whether because of sinister design or from mere puzzle-headedness, the men who preach destruction without proposing any substitute for what they intend to destroy, or who propose a substitute which would be far worse than the existing evils — all these men are the most dangerous opponents of real reform. If they get their way they will lead the people into a deeper pit than any into which they could fall under the present system. If they fail to get their

way they will still do incalculable harm by provoking the kind of reaction which, in its revolt against the senseless evil of their teaching, would enthrone more securely than ever the very evils which their misguided followers believe they are attacking.

More important than aught else is the development of the broadest sympathy of man for man. The welfare of the wage-worker, the welfare of the tiller of the soil, upon these depend the welfare of the entire country; their good is not to be sought in pulling down others; but their good must be the prime object of all our statesmanship.

Materially we must strive to secure a broader economic opportunity for all men, so that each shall have a better chance to show the stuff of which he is made. Spiritually and ethically we must strive to bring about clean living and right thinking. We appreciate that the things of the body are important; but we appreciate also that the things of the soul are immeasurably more important. The foundation stone of national life is, and ever must be, the high individual character of the average citizen.

RAILWAY RATES AND THE STANDARD OIL COMPANY

MESSAGE OF THE PRESIDENT SENT TO CONGRESS MAY 4, 1906.

I TRANSMIT herewith a report by the Commissioner of the Bureau of Corporations in the Department of Commerce and Labor on the subject of transportation and freight rates in con-

nection with the oil industry. The investigation, the results of part of which are summarized in this report, was undertaken in accordance with House Resolution 499, passed February 15, 1905, but for the reasons given in the report it has been more general and extensive than was called for in the resolution itself.

I call your especial attention to the letter of transmittal accompanying and summarizing the report; for the report is of capital importance in view of the effort now being made to secure such enlargement of the powers of the Interstate Commerce Commission as will confer upon the Commission power in some measure adequately to meet the clearly demonstrated needs of the situation. The facts set forth in this report are for the most part not disputed. It is only the inferences from them that are disputed, and even in this respect the dispute is practically limited to the question as to whether the transactions are or are not technically legal. The report shows that the Standard Oil Company has benefited enormously up almost to the present moment by secret rates, many of these secret rates being clearly unlawful. This benefit amounts to at least three-quarters of a million a year. This three-quarters of a million represents the profit that the Standard Oil Company obtains at the expense of the railroads; but of course the ultimate result is that it obtains a much larger profit at the expense of the public. A very striking result of the investigation has been that shortly after the discovery of these secret rates by the Commissioner of Corporations, the major portion of them were promptly corrected by the railroads, so that most of them have now been

done away with. This immediate correction, partial or complete, of the evil of the secret rates is of course on the one hand an acknowledgment that they were wrong, and yet were persevered in until exposed; and on the other hand a proof of the efficiency of the work that has been done by the Bureau of Corporations. The Department of Justice will take up the question of instituting prosecutions in at least certain of the cases. But it is most desirable to enact into law the bill introduced by Senator Knox to correct the interpretation of the immunity provision rendered in Judge Humphrey's decision. The hands of the Government have been greatly strengthened in securing an effective remedy by the recent decision of the Supreme Court in the case instituted by the Government against the tobacco trust, which decision permits the Government to examine the books and records of any corporation engaged in interstate commerce; and by the recent conviction and punishment of the Chicago, Burlington, and Quincy Railroad and certain of its officers.

But in addition to these secret rates the Standard Oil profits immensely by open rates, which are so arranged as to give it an overwhelming advantage over its independent competitors. The refusal of the railroads in certain cases to prorate produces analogous effects. Thus in New England the refusal of certain railway systems to prorate has resulted in keeping the Standard Oil in absolute monopolistic control of the field, enabling it to charge from three to four hundred thousand dollars a year more to the consumers of oil in New England than they would have had to pay had the price paid been that

obtaining in the competitive fields. This is a characteristic example of the numerous evils which are inevitable under a system in which the big shipper and the railroad are left free to crush out all individual initiative and all power of independent action because of the absence of adequate and thorough-going governmental control. Exactly similar conditions obtain in a large part of the West and Southwest. This particular instance exemplifies the fact that the granting to the Government of the power to substitute a proper for an improper rate is in very many instances the only effective way in which to prevent improper discriminations in rates.

It is not possible to put into figures the exact amount by which the Standard profits through the gross favoritism shown it by the railroads in connection with the open rates. The profit of course comes not merely by the saving in the rate itself as compared with its competitors, but by the higher prices it is able to charge, and (even without reference to these higher prices) by the complete control of the market which it secures, thereby getting the profit on the whole consumption. Here again the only way by which the discriminations can be cured is by conferring upon the Interstate Commerce Commission the power to take quick and effective action in regulating the rates.

One feature of the report which is especially worthy of attention is the showing made as to the way in which the law is evaded by treating as state commerce what is in reality merely a part of interstate commerce. It is clearly shown, for instance, that this device is employed on the New York Central Railroad, as well as on many

other railroads, in such fashion as to amount to thwarting the purpose of the law, although the forms of the law may be complied with.

It is unfortunately not true that the Standard Oil Company is the only great corporation which in the immediate past has benefited, and is at this moment benefiting, in wholly improper fashion by an elaborate series of rate discriminations, which permit it to profit both at the expense of its rivals and of the general public. The Attorney-General reports to me that the investigation now going on as to the shipments by the sugar trust over the trunk lines running out of New York City tends to show that the sugar trust rarely if ever pays the lawful rate for transportation, and is thus improperly, and probably unlawfully favored at the expense of its competitors and of the general public.

The argument is sometimes advanced against conferring upon some governmental body the power of supervision and control over interstate commerce, that to do so tends to weaken individual initiative. Investigations such as this conclusively disprove any such allegation. On the contrary, the proper play for individual initiative can only be secured by such governmental supervision as will curb those monopolies which crush out all individual initiative. The railroad itself can not without such Government aid protect the interests of its own stockholders as against one of these great corporations loosely known as trusts.

In the effort to prevent the railroads from uniting for improper purposes we have very unwisely prohibited them from uniting for proper purposes; that is, for purposes of protection to

themselves and to the general public as against the power of the great corporations. They should certainly be given power thus to unite on conditions laid down by Congress, such conditions to include the specific approval of the Interstate Commerce Commission of any agreement to which the railroads may come. In addition to this the Government must interfere through its agents to deprive the railroad of the ability to make to the big corporations the concessions which otherwise it is powerless to refuse.

The Government should have power by its agents to examine into the conduct of the railways — that is, the examiners under the direction of the Interstate Commerce Commission should be able to examine as thoroughly into the affairs of the railroad as bank examiners now examine into the affairs of banks.

It is impossible to work a material improvement in conditions such as above described merely through the instrumentality of a lawsuit. A lawsuit is often a necessary method; but by itself it is an utterly inadequate method. What is needed is the conferring upon the Commission of ample affirmative power, so conferred as to make its decisions take effect at once, subject only to such action by the court as is demanded by the Constitution. The courts have the power to, and will undoubtedly, interfere if the action of the Commission should become in effect confiscatory of the property of an individual or corporation, or if the Commission should undertake to do anything beyond the authority conferred upon it by the law under which it is acting. I am well aware that within the limits thus set the

Commission may at times be guilty of injustice; but far grosser and far more frequent injustice and injustice of a much more injurious kind now results and must always result from the failure to give the Commission ample power to act promptly and effectively within these broad limits.

Though not bearing upon the question of railroad rates, there are two measures consideration of which is imperatively suggested by the submission of this report. The Standard Oil Company has, largely by unfair or unlawful methods, crushed out home competition. It is highly desirable that an element of competition should be introduced by the passage of some such law as that which has already passed the House, putting alcohol used in the arts and manufactures upon the free list. Furthermore, the time has come when no oil or coal lands held by the Government, either upon the public domain proper or in territory owned by the Indian tribes, should be alienated. The fee to such lands should be kept in the United States Government whether or not the profits arising from it are to be given to any Indian tribe, and the lands should be leased only on such terms and for such periods as will enable the Government to keep entire control thereof.

MANUAL WORK AND THE NEGROES

FROM AN ADDRESS DELIVERED MAY 30, 1906, AT THE HAMPTON NORMAL AND AGRICULTURAL INSTITUTE, HAMPTON, VIRGINIA

Now, in closing, just remember these facts:

First: The trend of our civilization is more and more to recognize and put weight upon the vital part played by the manual worker, by the man who actually works with his hands, whether in the workshop or on the farm. Things are more and more going to shape themselves so that he shall have full recognition; not that there should ever be recognition of a laboring man's right to be lazy or envious, but of the right on his part to the respectful recognition by every one of the importance of the work that he does. It is the work of the man who works with his hands which counts for the most in the end, provided that that handwork is directed by an intelligent brain. Instead of striving, as we have so often done in the past, to divide the work of the brain from the work of the hand, more and more our effort must be to keep the handworker as a handworker, but to make him work with his brains too; so that the majority of our people will naturally turn to handwork, but will do it in conjunction with the best kind of mental effort.

I want to see the colored man share in the benefits of this movement. He can do this only by becoming the best, most intelligent kind of handworker himself, and, above all, by becoming this kind of handworker on the farm, working

for others first, but ultimately for himself; ultimately owning and tilling his own farm.

Second: The next thing for you to remember is that the greatness of any nation, the success of any race, must always, in the last analysis, depend upon the kind of home life, of family life, to be found in its average family group.

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STOCK YARD AND PACKING HOUSE ABUSES

MESSAGE OF THE PRESIDENT SENT TO CONGRESS JUNE 4, 1906

I TRANSMIT herewith the report of Mr. James Bronson Reynolds and Commissioner Charles P. Neill, the special committee whom I appointed to investigate into the condition in the stock yards of Chicago and report thereon to me. This report is of a preliminary nature. I submit it to you now because it shows the urgent need of immediate action by the Congress in the direction of providing a drastic and thoroughgoing inspection by the Federal Government of all stock yards and packing houses and of their products, so far as the latter enter into interstate or foreign commerce. The conditions shown by even this short inspection to exist in the Chicago stock yards are revolting. It is imperatively necessary in the interest of health and of decency that they should be radically changed. Under the existing law it is wholly impossible to secure satisfactory results.

When my attention was first directed to this matter an investigation was made under the

Bureau of Animal Industry of the Department of Agriculture. When the preliminary statements of this investigation were brought to my attention they showed such defects in the law and such wholly unexpected conditions that I deemed it best to have a further immediate investigation by men not connected with the Bureau, and accordingly appointed Messrs. Reynols and Neill. It was impossible under the existing law that satisfactory work should be done by the Bureau of Animal Industry. I am now, however, examining the way in which the work actually was done.

Before I had received the report of Messrs. Reynolds and Neill I had directed that labels placed upon any package of meat-food products should state only that the carcass of the animal from which the meat was taken had been inspected at the time of slaughter. If inspection of meat-food products at all stages of preparation is not secured by the passage of the legislation recommended I shall feel compelled to order that inspection labels and certificates on canned products shall not be used hereafter.

The report shows that the stock yards and packing houses are not kept even reasonably clean, and that the method of handling and preparing food products is uncleanly and dangerous to health. Under existing law the National Government has no power to enforce inspection of the many forms of prepared meat-food products that are daily going from the packing houses into interstate commerce. Owing to an inadequate appropriation the Department of Agriculture is not even able to place inspectors in all establishments desiring them. The present law

prohibits the shipment of uninspected meat to foreign countries, but there is no provision forbidding the shipment of uninspected meats in interstate commerce, and thus the avenues of interstate commerce are left open to traffic in diseased or spoiled meats. If, as has been alleged on seemingly good authority, further evils exist, such as the improper use of chemicals and dyes, the Government lacks power to remedy them. A law is needed which will enable the inspectors of the General Government to inspect and supervise from the hoof to the can the preparation of the meat food product. The evil seems to be much less in the sale of dressed carcasses than in the sale of canned and other prepared products; and very much less as regards products sent abroad than as regards those used at home.

In my judgment the expense of the inspection should be paid by a fee levied on each animal slaughtered. If this is not done the whole purpose of the law can at any time be defeated through an insufficient appropriation; and whenever there was no particular public interest in the subject it would be not only easy but natural thus to make the appropriation insufficient. If it were not for this consideration I should favor the Government paying for the inspection.

The alarm expressed in certain quarters concerning this feature should be allayed by a realization of the fact that in no case, under such a law, will the cost of inspection exceed 8 cents per head.

I call special attention to the fact that this report is preliminary, and that the investigation is still unfinished. It is not yet possible to re-

port on the alleged abuses in the use of deleterious chemical compounds in connection with canning and preserving meat products, nor on the alleged doctoring in this fashion of tainted meat and of products returned to the packers as having grown unsalable or unusable from age or from other reasons. Grave allegations are made in reference to abuses of this nature.

Let me repeat that under the present law there is practically no method of stopping these abuses if they should be discovered to exist. Legislation is needed in order to prevent the possibility of all abuses in the future. If no legislation is passed, then the excellent results accomplished by the work of this special committee will endure only so long as the memory of the committee's work is fresh, and a recrudescence of the abuses is absolutely certain.

I urge the immediate enactment into law of provisions which will enable the Department of Agriculture adequately to inspect the meat and meat-food products entering into interstate commerce and to supervise the methods of preparing the same, and to prescribe the sanitary conditions under which the work shall be performed. I therefore commend to your favorable consideration and urge the enactment of substantially the provisions known as Senate amendment No. 29 to the act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1907, as passed by the Senate, this amendment being commonly known as the Beveridge amendment.

"HONESTY CAN NEVER BE UNILATERAL"

FROM AN ADDRESS DELIVERED AT THE COMMENCEMENT EXERCISES OF GEORGETOWN COLLEGE, JUNE 14, 1906

It is a happy coincidence that your commencement comes on Flag Day, on the day when we pay especial honor to the symbol of our national existence. Georgetown, which has sent its proportion of soldiers to the country whenever the country called for it, must remember that duty just as high can be done in time of peace as in time of war. We have plenty of evil to combat in this Republic, and the success of the fight that we wage against it is going in large part to depend upon the attitude taken by the graduates of our universities whose training should peculiarly help them to leadership in such a fight.

Now, just one word in connection with that fight: Remember always that honesty can never be unilateral. Do not attack the poor man who is dishonest, or the rich man who is dishonest as a member of a class; attack him simply because he is dishonest. Wage war relentlessly on every man of wealth who does what is wrong. Attack in every way the iniquity of the corporation which commits iniquity. But remember, you men of education, you men of college training, you to whom we have a right to look for leadership in the generation now taking up its burdens, that you do the greatest possible wrong if you train people to an obliqueness of vision which shall make them condemn wealth instead

of condemning crooked wealth; which shall make them fail to see that the real test is honesty as against dishonesty. Condemn the rich man who corrupts a legislature; condemn equally the demagogue who seeks to incite one set of our citizens against another because that other is in the material things of this world more fortunately off. The wealthy corruptionist and the sour demagogue who denounces all wealth, represent, not opposite vices, but the same vices developed under different conditions. The arrogance of the man of wealth who disregards his obligations to the country, who looks down upon and disregards his poorer brother, is not a different feeling from, it is the same feeling as, the envy, hatred, malice, felt by a man of mean and jealous temper who lacks means for the more fortunate man who has means. The selfish arrogance and the envious hatred are not different qualities; they are simply the two sides of the same foul shield. You can rest assured that the poor man who thus envies and hates the rich man, the arrogant rich man who looks down upon and disregards his duty toward the poor man, would each commit the faults of the other if fortune placed him in the position of the other.

LINCOLN'S ATTITUDE TOWARD EVIL-DOERS

FROM AN ADDRESS DELIVERED JULY 4, 1906, AT OYSTER BAY, NEW YORK

If Lincoln and the men of his generation, the men who followed Grant in the field, who upheld the statesmanship of Lincoln himself in the coun-

cil chamber — if those men had not done their full duty, not a man here would carry his head high as an American citizen. Any work done by any man must largely have its influence, not upon the life of that man, but upon the lives of those coming after him; and just as this was true of the men of Lincoln's generation, so it will be true of those that follow us. We who did not fight in the Civil War have reaped the immeasurable benefit from the courage and self-devotion of those who did fight. Had the grapes they pressed to their lips been sour, our teeth would have been set on edge. Had they shown themselves cowards, our heads would have been bowed in shame. So if we of this generation do our duty when face to face with our special industrial, social, and political problems, our children and children's children shall be the better for it. If we fail in our duty, if you men here of middle life, you men with children, if you fail in your duty, by just so much do you add to the weight of the burdens that your children shall bear. Our duty calls for the exercise of more than one quality on our part. First of all, it calls of course for the qualities of honesty and courage. I use honesty in the broadest sense — honesty in the sense of disinterested devotion to what is right, disinterested devotion to the ideals of our national life. If we have not those qualities first, then all else shall avail us little. In 1861 the first qualities necessary were those qualities of the heart which made the average loyal citizen resolute that even at the cost of his own life the Union should be preserved, which gave him the power to appreciate what was meant by lofty devotion to an ideal,

and the power to put into actual fact that devotion. The man needed to feel the lift of patriotism first; and then he needed the courage to make his patriotism of avail. There are old soldiers in this, as in every other audience that I address, and these men know that first and foremost it was necessary to have the power of love for the Union, of love for the Nation; and that next it was necessary to have the courage to make that love good. I do not care how devoted the old soldier was to the Union, if when the crisis came he ran away, his devotion did not count; and on the other hand no quality of courage availed the man if he had not in him the spur that drove that courage into action, that made that courage of avail to his neighbors. In the same fashion we citizens of these peaceful days need first and foremost the moral quality; and next, back of that moral quality, the courage, moral and physical as well, that makes the moral quality count. Yet these qualities by themselves are not enough. The greatest patriotism and the greatest courage can be hopelessly marred by folly. None of you are worth anything as citizens, none of you can be worth anything as citizens, if you have not the fund of moral qualities which find expression in love of country, love of neighbors, love of home, which make you honest, decent, clean-living, right-thinking. None of you will be worth anything if in addition to those qualities you haven't the courage, physical and moral, without which no American citizen can do his full duty as a citizen. And yet, back of them and in addition to them we must have the sanity, the common sense, the just judgment, which neither hysterically over-em-

phasizes nor blindly refuses to acknowledge the wrongs that exist and the ways in which those wrongs must be cured.

We have heard a great deal during the past year or two of the frightful iniquities in our political and our business life, the frightful wrong-doing in our social life: Now there is plenty of iniquity in business, in politics, in our social life. There is every warrant for our acknowledging these great evils. But there is no warrant for growing hysterical about them. It is a poor trick to spend nine-tenths of the time in saying that there never was such iniquity as is shown in this Nation; and the remaining tenth in saying that we are the most remarkable nation that ever existed. We want to be more careful in blaming ourselves and more careful in praising ourselves. Over-emphasis in praise, as well as over-emphasis in blame, is apt to overreach itself; just as the man who promises too much — especially on the stump — is apt to strike the balance by performing too little. It is true that there is much evil; but in speaking about it do not let us lose our heads; and above all let us avoid the wild vindictiveness preached by certain demagogues — a vindictiveness as far as the poles asunder from the wise charity of Abraham Lincoln. Let us remember that many of the men who do the things of which we complain, even among those who do the worst, are American citizens with much the same tastes, tempers, and characters as we have, but who have been exposed to special temptations. Of course there are some men who are inherently wicked, and for these only drastic punishment will avail. But very many wrong-doers, especially when the

wrong-doing is committed by a whole class, are wrong-doers only through force of circumstances. Try to remove the cause of their wrong-doing; remove as far as may be both the power and the temptation to do wrong; but do not cultivate toward them a spirit of rancorous hatred which in the end will react most surely upon ourselves. War with the evil; but show no spirit of malignity toward the man who may be responsible for the evil. Put it out of his power to do wrong; if necessary punish him where he has done wrong; but do not let this Nation ever get into the frame of mind which, under infinitely greater provocation, Abraham Lincoln strove to prevent its falling into at the time of the Civil War. The poorest of all emotions for any American citizen to feel is the emotion of hatred toward his fellows. Let him feel a just and righteous indignation where that just and righteous indignation is called for; let him not hesitate to inflict punishment where the punishment is needed in the interest of the public; but let him beware of demanding mere vengeance; and above all of inciting the masses of the people to such demand. Such a demand is alike un-Christian and un-American, and the man who makes it is false to the highest duties, principles, and privileges of American citizenship.

There is wrong enough to fight. Fight it, cut it out; and having cut it out, go your ways without either hatred or exultation over those at whose expense it has been necessary that it should be cut out. There are plenty of wrongs done by men of great means, and there are plenty of wrongs done by men of small means. Another sentence of Abraham Lincoln's which it

is well to remember is that "there is a deal of human nature in mankind." If a man possesses a twisted morality he will show that twisted morality wherever he may happen to be. If he is not a man of really twisted morals, but an ordinary happy-go-lucky individual who does not think very deeply, he will often do what ought not to be done if nobody brings home his duty to him, and if the chances are such as to render wrong-doing easy. Show scant mercy to the man of twisted morality; but remember that the second type of wrong-doer stands more in need of the reformatory than the penitentiary.

This year in Congress our chief task has been to carry the Government forward along the course which I think it must follow consistently for a number of years to come — that is, in the direction of seeking, on behalf of the people as a whole through the National Government, which represents the people as a whole, to exercise a measure of supervision, control, and restraint over the individuals and especially over the corporations of great wealth in so far as the business use of that wealth brings it within the reach of the Federal Government. We have accomplished a fair amount, and the reason that we have done so has been in the first place because we have not tried to do too much, and in the next place because we have approached the task absolutely free from any spirit of rancor or hatred. In any such movement a man will find that he has allies whom he does not like. You can not protect property without finding that you are protecting the property of some people who are not very straight. You can not war against the abuses of property without finding

that there are some people warring beside you whose motives you would frankly repudiate. But in each case be sure that you keep your own motives and your own conduct straight. When it becomes necessary to curb a great corporation, curb it. I will do my best to help you do it. But I will do it in no spirit of anger or hatred to the men who own or control that corporation; and if any seek in their turn to do wrong to the men of means, to do wrong to the men who own those corporations, I will turn around and fight for them in defence of their rights just as hard as I fight against them when I think that they are doing wrong.

Distrust as a demagogue the man who talks only of the wrong done by the men of wealth. Distrust as a demagogue the man who measures iniquity by the purse. Measure iniquity by the heart, whether a man's purse be full or empty, partly full or partly empty. If the man is a decent man, whether well off or not well off, stand by him; if he is not a decent man stand against him, whether he be rich or poor. Stand against him in no spirit of vengeance, but only with the resolute purpose to make him act as decent citizens must act if this Republic is to be, and to be kept, what it shall become.

RECORD OF THE FIFTY-NINTH CONGRESS

FROM A LETTER WRITTEN AUGUST 18, 1906, AT OYSTER BAY, N. Y., TO HON. JAMES E. WATSON, MEMBER OF CONGRESS, RUSHVILLE, INDIANA

My Dear Mr. Watson:

I hear, through Speaker Cannon and Representative Sherman, that you have volunteered to give your services to the Congressional Committee for the entire campaign, without regard to the effect it may have upon your canvass in your own district; and I feel like writing you a word of congratulation and of earnest hope for the success of your efforts. If there were only partisan issues involved in this contest I should hesitate to say anything publicly in reference thereto. But I do not feel that such is the case. On the contrary, I feel that all good citizens who have the welfare of America at heart should appreciate the immense amount that has been accomplished by the present Congress organized as it is, and the urgent need of keeping this organization in power. With Mr. Cannon as Speaker, the House has accomplished a literally phenomenal amount of good work. It has shown a courage, good sense and patriotism such that it would be a real and serious misfortune for the country to fail to recognize. To change the leadership and organization of the House at this time means to bring confusion upon those who have been successfully engaged in the steady working out of a great and comprehensive scheme for the betterment of our social,

industrial, and civic conditions. Such a change would substitute a purposeless confusion, a violent and hurtful oscillation between the positions of the extreme radical and the extreme reactionary, for the present orderly progress along the lines of a carefully thought-out policy. . . .

Our external affairs are important, but our internal affairs are even more important; and no other Congress for many a long year has, as regards the betterment of our internal affairs, so much and such excellent work to its credit. The tremendous social and industrial changes in our Nation have rendered evident the need of a larger exercise by the National Government of its power to deal with the business use of wealth, and especially of corporate wealth, in interstate business. It is not too much to say that the course of Congress within the last few years, and the hearty agreement between the executive and legislative departments of the Nation in taking the needed action each within its own sphere, have resulted in the Nation for the first time definitely entering upon the career of proper performance of duty in these matters. The task is peculiarly difficult, because it is one in which the fanatical or foolish extremist and the reactionary, whether honest or dishonest, play into one another's hands; and they thereby render it especially hard to secure legislative and executive action which shall be thoroughgoing and effective, and yet which shall not needlessly jeopardize the business prosperity which we all share, even though we do not all share it with as much equality as we are striving to secure.

It is a very easy thing to play the demagogue in this matter, to confine one's self merely to

denouncing the evils of wealth, and to advocate, often in vague language, measures so sweeping that, while they would entirely fail to correct the evils aimed at, they would undoubtedly succeed in bringing down the prosperity of the Nation with a crash. It is also easy to play the part of the mere obstructionist; to decline to recognize the great evils of the present system, and to oppose any effort to deal with them in rational fashion — thereby strengthening immensely the hands of those who advocate extreme and foolish measures. But it is not easy to do as the present Congress and its immediate predecessors have done; that is, sternly to disregard alike the self-interest of those who have profited by the present evils, and the wild clamor of those who care less to do away with them than to make a reputation with the unthinking of standing in extreme opposition to them. But this is precisely what the present Congress has done. Instead of enacting anti-trust laws which were either so vague or so sweeping as completely to defeat their own objects, it has given us an interstate commerce law which will enable us to exercise in thorough fashion a supervision over the common-carriers of this country, so as, while scrupulously safeguarding their proper interests, to prevent them from charging excessive rates; to prevent their favoring one man at the expense of another, and especially a strong man at the expense of a weak man; and to require them to be fully accountable to the public for the service which, to their own profit, they render the public. The previous Congress, by the enactment of the Elkins law and by the creation of the Department of Commerce and Labor, in-

cluding the Bureau of Corporations, had enabled us to make great strides in advance along the path of thus bringing the use of wealth in business under the supervision and regulation of the National Government — for, in actual practice, it has proved a sham and pretence to say that the several States can thus supervise and regulate it. The strides taken by the present Congress have been even longer in the right direction. The enactment of the pure food bill and the passage of the bill which rendered effective the control of the Government over the meat-packing industries are really along the same general line as the passage of the interstate commerce law, and are second only to it in importance.

Perhaps the peculiar merit of these laws is best shown by the fact that while they have aroused the deepest anger of the reactionaries, of the men who make a fetish of wealth, they have not satisfied the unwise extremists; and the present Congress, in achieving this merit, has acted in the exact spirit of Abraham Lincoln, who was never to be frightened out of going forward by the cries of those who feared progress, nor yet to be hurried into a precipitate advance by the demands of the crude-thinking, though often well-meaning, men who are not accustomed soberly to distinguish between phrase-making and action. To the men who come in the latter category all we need say is to bid them possess their souls in peace. They have advocated action; but we have taken action; and the fact that this action has been sober and temperate has been in no small degree the cause of its far-reaching efficiency. To the former

class — to the reactionaries, who seem to fear that to deal in proper fashion with the abuses of property is somehow an attack upon property — we would recall the words of Edmund Burke: "If wealth is obedient and laborious in the service of virtue and public honor, then wealth is in its place and has its use. But if this order is changed and honor is to be sacrificed to the conservation of riches, riches, which have neither eyes nor hands nor anything truly vital in them, can not long survive the well-being of . . . their legitimate masters. . . . If we command our wealth we shall be rich and free. If our wealth commands us we are poor indeed."

In addition to thus dealing with the proper control of capitalistic wealth, Congress has also taken important steps in securing to the wage-workers certain great rights. At the session that has just closed, an employers' liability law was enacted which puts the National Government in its proper place as regards such legislation. An eight-hour law was already on the statute books; but, as is almost inevitable with such laws, there was at first great confusion as to whose duty it was among the different public officials to enforce it. This confusion has now been remedied, and the law is in process of thorough enforcement. If this enforcement demonstrates the need of additional legislation to make this eight-hour law effective, I shall ask for such legislation. I may add that next year I shall ask Congress to put in the permanent form of law the provision I have made by executive order for securing to the wage-workers under the Government half-holidays during the summer

months, just as regular holidays are now secured by law for the salaried clerical workers in the classified service.

No Congress has ever more clearly shown its practical appreciation of the fact that the welfare of the wage-workers, and the welfare of the tillers of the soil, make the real basis of the welfare of the Nation as a whole. We will do everything that can be done to further the interests of the farmer and the wage-worker; and this declaration is subject only to one reservation — which is, that for no man, and no body of men, will we do anything that is wrong. Our constant aim is to do justice to every man, and to treat each man as by his own actions he shows that he deserves to be treated. We favor the organization of labor, as we favor the organization of capital; but on condition that organized labor and organized capital alike act in a spirit of justice and fair dealing, and with due regard to both the letter and the spirit of the law. We heartily favor trades unions, and we recognize in them, as in corporations, when properly conducted, indispensable instruments in the economic life of the present day; but where either type of organization is guilty of abuse we do not propose to weaken the remedial powers of the Government to deal with such abuse. We are anxious to help, alike by law and by executive action, so far as in our power lies, every honest man, every right-dealing labor union, and, for the matter of that, every right-dealing corporation. But, as a corollary to this, we intend fearlessly and resolutely to uphold the law, and to strengthen it, so that we can put down wrong, whether done by rich or poor; if done by the

most powerful corporation or the most influential labor union, just as much as if done by the humblest and least influential individual in the land. The fact that we heartily recognize an organization or a kind of organization as useful will not prevent our taking action to control it or to prevent its committing abuses when it uses in wrong fashion the power which organization confers. . . .

We stand unequivocally for a protective tariff, and we feel that the phenomenal industrial prosperity which we are now enjoying is not lightly to be jeopardized; for it would be to the last degree foolish to secure here and there a small benefit at the cost of general business depression. But whenever a given rate or schedule becomes evidently disadvantageous to the Nation, because of the changes which go on from year to year in our conditions, and where it is feasible to change this rate or schedule without too much dislocation of the system, it will be done; while a general revision of the rates and schedules will be undertaken whenever it shall appear to the sober business sense of our people that, on the whole, the benefits to be derived from making such changes will outweigh the disadvantages; that is, when the revision will do more good than harm. Let me add one word of caution, however. The question of revising the tariff stands wholly apart from the question of dealing with the so-called "trusts"—that is, with the control of monopolies and with the supervision of great wealth in business, especially in corporate form. The only way in which it is possible to deal with those trusts and monopolies and this great corporate wealth is by action along

the line of the laws enacted by the present Congress and its immediate predecessors. The cry that the problem can be met by any changes in the tariff represents, whether consciously or unconsciously, an effort to divert the public attention from the only method of taking effective action.

I shall not pretend to enumerate all the good measures of less importance which the present Congress has enacted into law, although some of these measures, as, for instance, the consular bill and the naturalization bill, are of wide-reaching effect. I have said enough to show why, in my judgment, you and your colleagues are entitled to the good wishes of all those American citizens who believe that there are real evils in our industrial and economic system, and that these evils can be effectively grappled with — not by loose declamation, but by resolute and intelligent legislation and executive action.

Sincerely yours,
THEODORE ROOSEVELT.

CONDUCT AS THE ULTIMATE TEST OF RELIGIOUS BELIEF

FROM AN ADDRESS DELIVERED AT THE BICENTENARY CELEBRATION OF CHRIST CHURCH PARISH, OYSTER BAY, N. Y., SEPTEMBER 8, 1906

THE man is not a good Christian if his domestic conduct is such that when he returns to his home his wife and his children feel a sense of uneasiness at his having come. The man is not a good Christian who in his business dealings fails to remember that it is incumbent upon

him to hold a higher standard than his fellows; that it is incumbent upon him, if he is a very rich man, to make it evident alike in the way he earns and the way he spends his fortune that the Word of the Lord is to him a living truth and not a dead doctrine. And of course what I say applies even more strongly to the man in public life than to the man in business, than to the man in private life.

More and more I believe that people who possess either religious belief or aspiration after religious belief are growing to demand conduct as the ultimate test of the worth of belief. Whenever we read in the newspapers that some man esteemed to be a pillar of the church has been guilty of business dishonesty, or political dishonestry, of offenses against the moral law in any shape or way, all who are members of the churches should feel a far greater disappointment, should feel a greater regret by far, than those who are not. We can not afford to let it be supposed for a moment that we exact from those who are attendants at or members of churches any less strict observance of the moral law, anything but a more strict observance of the moral law, in all relations of life, than we expect from those who do not go to churches or who do not belong to them. We must strive each of us in his own life first, each of us as in a certain sense his brother's keeper next, so to bear ourselves as to show that we actually take to our own souls the teaching that by our fruits we shall be known; and that the corrupt tree can not bring forth good fruit, and that the sound tree must prove its soundness by bringing forth good fruit. The nominal Christian, the

man who has attended to all the outward observances of Christianity with no matter what scrupulous care, who nevertheless embezzles trust funds, who is a disgrace in business, in politics, or in home life, has sinned against the light, and is more, not less, blameworthy than if he had never made profession of belief. Each of us, layman and clergyman alike, must strive in our actual conduct day by day with the people among whom we live to make them understand that what we expect from Christian folk, if they are sincere in their devotion to Christianity, is the highest standard of conduct, is the actual carrying out in practical life of what they profess to receive in church, from the Bible, and from their associations with their fellow-members of whatever creed.

All men in public life come in contact with much that is base, with much that is venal or cowardly or dishonest; and if they have in their hearts any appreciation of what is really necessary to true national greatness, they must feel the need of every force for good in this country being multiplied and strengthened to the utmost possible extent. Dr. Geer spoke very strongly of the need of practical, of applied, religion, in the life of this Republic. He could not speak too strongly. We can not continue as a republic, we can not rise to any true level of greatness, unless that greatness is based upon and conditioned by a high and brave type of spiritual life.

There is nothing we should abhor more than the telling of an untruth, whether a conventional untruth or not; and I would on no account be

understood as affecting to deprecate material well-being. To tell men to disregard riches entirely is to preach to them not only a doctrine which it is impossible for them to live up to, but which the preacher knows perfectly well they will not try to live up to. Regard the things of the body, but put them below the things of the soul. Give to the body what the body is entitled to, but do not give it more than it is entitled to. The multimillionaire of whom Dr. Geer spoke, the man of wealth generally, is not a harm but a good to the community if he appreciates that he is a trustee for that wealth, that his use of it must also be a use which tells for decency in private life, for honesty and courage in business and in public life. No man is going to be of any real use to others until first of all he is able to carry his own weight; and if a man entirely disregards the things of the body it means that some one else has to regard them for him. He can not be a factor for good in the community at large unless he is first able to support himself and those dependent upon him. That is a fundamental, a basic duty for every man and if he does not fulfil it he is not only doing wrong to those who are near him but he is depriving himself of the chance to do decent work for outsiders. So we need material well-being in this nation as a foundation without which no superstructure can be raised. But upon that foundation we must see to it that we build the superstructure of high individual and national conduct; so that each man in his relations to his fellows shall actually be influenced by the ethical standards which teach us that the

thing in life best worth having will prove in the end to be the sense of having so lived that others are better and not worse off because we have lived.

DIVISION OF STATE AND FEDERAL POWERS

FROM AN ADDRESS DELIVERED OCTOBER 4, 1906, AT THE DEDICATION CEREMONIES OF THE NEW STATE CAPITOL OF PENNSYLVANIA, IN HARRISBURG

I DO *not,* however, come here to-day to speak only of the past, and still less to appeal merely to State pride. We can show that the past is with us a living force only by the way in which we handle ourselves in the present, and each of us can best show his devotion to his own State by making evident his paramount devotion to that Union which includes all the States. The study of the great deeds of the past is of chief avail in so far as it incites us to grapple resolutely and effectively with the problems of the present. We are not now menaced by foreign war. Our Union is firmly established. But each generation has its special and serious difficulties; and we of this generation have to struggle with evils springing from the very material success of which we are so proud, from the very growth and prosperity of which, with justice, we boast. The extraordinary industrial changes of the last half century have produced a totally new set of conditions, under which new evils flourish; and for these new evils new remedies must be devised.

Some of these evils can be grappled with by private effort only; for we never can afford to forget that in the last analysis the chief factor in personal success, and indeed in national greatness, must be the sturdy, self-reliant character of the individual citizen. But many of these evils are of such a nature that no private effort can avail against them. These evils, therefore, must be grappled with by governmental action. In some cases this governmental action must be exercised by the several States individually. In yet others it has become increasingly evident that no efficient State action is possible, and that we need, through executive action, through legislation, and through judicial interpretation and construction of law, to increase the power of the Federal Government.

If we fail thus to increase it, we show our impotence and leave ourselves at the mercy of those ingenious legal advisers of the holders of vast corporate wealth, who, in the performance of what they regard as their duty, and to serve the ends of their clients, invoke the law at one time for the confounding of their rivals, and at another time strive for the nullification of the law, in order that they themselves may be left free to work their unbridled will on these same rivals, or on those who labor for them, or on the general public. In the exercise of their profession and in the service of their clients these astute lawyers strive to prevent the passage of efficient laws and strive to secure judicial determinations of those that pass which shall emasculate them. They do not invoke the Constitution in order to compel the due observance of law alike by rich and poor, by great and

small; on the contrary, they are ceaselessly on the watch to cry out that the Constitution is violated whenever any effort is made to invoke the aid of the National Government, whether for the efficient regulation of railroads, for the efficient supervision of great corporations, or for efficiently securing obedience to such a law as the national eight-hour law and similar so-called "labor statutes."

The doctrine they preach would make the Constitution merely the shield of incompetence and the excuse for governmental paralysis; they treat it as a justification for refusing to attempt the remedy of evil, instead of as the source of vital power necessary for the existence of a mighty and ever-growing nation.

Strong nationalist though I am, and firm though my belief is that there must be a wide extension of the power of the National Government to deal with questions of this kind, I freely admit that as regards many matters of first-rate importance we must rely purely upon the States for the betterment of present conditions. The several States must do their duty or our citizenship can never be put on a proper plane. Therefore I most heartily congratulate the people of the State of Pennsylvania on what its Legislature, upon what its government, has accomplished during this present year. It is a remarkable record of achievement.

Through your Legislature you have abolished passes; you have placed the offices of the secretary of the Commonwealth and the insurance commissioner upon an honorable and honest basis of salary only by abolishing the fee system; you have passed a law compelling the of-

ficers and employees of great cities to attend to the duties for which they are paid by all the taxpayers, and to refrain from using the power conferred by their offices to influence political campaigns; you have prohibited the solicitation or receiving of political assessments by city employees; you have by law protected the State treasury from depredation and conserved the public moneys for use only in the public interest; you have by law for the protection of the elective franchise made tampering with the ballot-boxes and the casting of illegal votes so difficult as in all probability to be unprofitable; you have provided a primary election law which guarantees to the voters free expression in the selection of candidates for office; you have by law regulated and improved the civil service systems of your greatest cities; and, finally, you have passed a law containing a provision which I most earnestly hope will in substance be embodied likewise in a law by the Congress at the coming session — a provision prohibiting the officers of any corporation from making a contribution of the money of that corporation to any candidate or any political committee for the payment of any election expenses whatever.

It is surely not too much to say that this body of substantive legislation marks an epoch in the history of the practical betterment of political conditions, not merely for your State, but for all our States. I do not recall any other State Legislature which, in a similar length of time, has to its credit such a body of admirable legislation. Let me, however, most earnestly urge that your Legislature continue this record of public service by enacting one or two additional

laws. One subject which every good citizen should have at heart above almost all others is the matter of child labor. Everywhere the great growth of modern industrialism has been accompanied by abuses in connection with the employment of labor which have necessitated a complete change in the attitude of the State toward labor.

This is above all true in connection with the employment of child labor. In Pennsylvania you have made a beginning, but only a beginning, in proper legislation and administration on this subject; the law must if necessary be strengthened, and it must be rigorously enforced. The National Government can do but little in the matter of child labor, though I earnestly hope that that little will be permitted to be done by Congress. The great bulk of the work, however, must be left to the State Legislatures; and if our State Legislatures would act as drastically and yet as wisely on this subject of child labor as Pennsylvania has acted within the present year as regards the subjects I have enumerated above, the gain would be literally incalculable; and one of the most vital needs of modern American life would at last be adequately met.

So much for the State. Now for the Nation; and here I can not do better than base my theory of governmental action upon the words and deeds of one of Pennsylvania's greatest sons, Justice James Wilson. Wilson's career has been singularly overlooked for many years, but I believe that more and more it is now being adequately appreciated; and I congratulate your State upon the fact that Wilson's body is to be taken away from where it now rests and brought

back to lie, as it should, in Pennsylvania soil. He was a signer of the Declaration of Independence. He was one of the men who saw that the Revolution, in which he had served as a soldier, would be utterly fruitless unless it was followed by a close and permanent union of the States; and in the Constitutional Convention, and in securing the adoption of the Constitution and expounding what it meant, he rendered services even greater than he rendered as a member of the Continental Congress, which declared our independence; for it was the success of the makers and preservers of the Union which justified our independence.

He believed in the people with the faith of Abraham Lincoln; and coupled with his faith in the people he had what most of the men who in this generation believed in the people did not have; that is, the courage to recognize the fact that faith in the people amounted to nothing unless the representatives of the people assembled together in the National Government were given full and complete power to work on behalf of the people. He developed even before Marshall the doctrine (absolutely essential not merely to the efficiency but to the existence of this Nation) that an inherent power rested in the Nation, outside of the enumerated powers conferred upon it by the Constitution, in all cases where the object involved was beyond the power of the several States and was a power ordinarily exercised by sovereign nations.

In a remarkable letter in which he advocated setting forth in early and clear fashion the powers of the National Government, he laid down the proposition that it should be made clear

that there were neither vacancies nor interferences between the limits of State and national jurisdiction, and that both jurisdictions together composed only one uniform and comprehensive system of government and laws; that is, whenever the States can not act, because the need to be met is not one of merely a single locality, then the National Government, representing all the people, should have complete power to act. It was in the spirit of Wilson that Washington, and Washington's lieutenant, Hamilton, acted; and it was in the same spirit that Marshall construed the law.

It is only by acting in this spirit that the national judges, legislators, and executives can give a satisfactory solution of the great question of the present day — the question of providing on behalf of the sovereign people the means which will enable the people in effective form to assert their sovereignty over the immense corporations of the day. Certain judicial decisions have done just what Wilson feared; they have, as a matter of fact, left vacancies, left blanks between the limits of possible State jurisdiction and the limits of actual national jurisdiction over the control of the great business corporations. It is the narrow construction of the powers of the National Government which in our democracy has proved the chief means of limiting the national power to cut out abuses, and which is now the chief bulwark of those great moneyed interests which oppose and dread any attempt to place them under efficient governmental control.

Many legislative actions and many judicial decisions which I am confident time will show

to have been erroneous and a damage to the country would have been avoided if our legislators and jurists had approached the matter of enacting and construing the laws of the land in the spirit of your great Pennsylvanian, Justice Wilson — in the spirit of Marshall and of Washington. Such decisions put us at a great disadvantage in the battle for industrial order as against the present industrial chaos. If we interpret the Constitution in narrow instead of broad fashion, if we forsake the principles of Washington, Marshall, Wilson, and Hamilton, we as a people will render ourselves impotent to deal with any abuses which may be committed by the men who have accumulated the enormous fortunes of to-day, and who use these fortunes in still vaster corporate form in business.

The legislative or judicial actions and decisions of which I complain, be it remembered, do not really leave to the States power to deal with corporate wealth in business. Actual experience has shown that the States are wholly powerless to deal with this subject; and any action or decision that deprives the Nation of the power to deal with it, simply results in leaving the corporations absolutely free to work without any effective supervision whatever; and such a course is fraught with untold danger to the future of our whole system of government, and, indeed, to our whole civilization.

All honest men must abhor and reprobate any effort to excite hostility to men of wealth as such. We should do all we can to encourage thrift and business energy, to put a premium upon the conduct of the man who honestly earns his livelihood and more than his livelihood, and

who honestly uses the money he has earned. But it is our clear duty to see, in the interest of the people, that there is adequate supervision and control over the business use of the swollen fortunes of to-day, and also wisely to determine the conditions upon which these fortunes are to be transmitted and the percentage that they shall pay to the Government whose protecting arm alone enables them to exist. Only the Nation can do this work. To relegate it to the States is a farce, and is simply another way of saying that it shall not be done at all.

Under a wise and farseeing interpretation of the interstate commerce clause of the Constitution, I maintain that the National Government should have complete power to deal with all of this wealth which in any way goes into the commerce between the States — and practically all of it that is employed in the great corporations does thus go in. The national legislators should most scrupulously avoid any demagogic legislation about the business use of this wealth, and should realize that it would be better to have no legislation at all than legislation couched either in a vindictive spirit of hatred toward men of wealth or else drawn with the recklessness of impracticable visionaries. But, on the other hand, it shall and must ultimately be understood that the United States Government, on behalf of the people of the United States, has and is to exercise the power of supervision and control over the business use of this wealth — in the first place, over all the work of the common carriers of the Nation, and in the next place over the work of all the great corporations which directly or indirectly do any interstate business

whatever — and this includes almost all of the great corporations.

During the last few years the National Government has taken very long strides in the direction of exercising and securing this adequate control over the great corporations, and it was under the leadership of one of the most honored public men in our country, one of Pennsylvania's most eminent sons — the present Senator, and then Attorney-General, Knox — that the new departure was begun. Events have moved fast during the last five years, and it is curious to look back at the extreme bitterness which not merely the spokesmen and representatives of organized wealth, but many most excellent conservative people then felt as to the action of Mr. Knox and of the Administration.

Many of the greatest financiers of this country were certain that Mr. Knox's Northern Securities suit, if won, would plunge us into the worst panic we had ever seen. They denounced as incitement to anarchy, as an apology for socialism, the advocacy of policies that either have now become law or are in fair way of becoming law; and yet these same policies, so far from representing either anarchy or socialism, were in reality the antidotes to anarchy, the antidotes to socialism. To exercise a constantly increasing and constantly more efficient supervision and control over the great common carriers of the country prevents all necessity for seriously considering such a project as the Government ownership of railroads — a policy which would be evil in its results from every standpoint.

A similar extension of the national power to oversee and secure correct behavior in the man-

agement of all great corporations engaged in interstate business will in similar fashion render far more stable the present system by doing away with those grave abuses which are not only evil in themselves but are also evil because they furnish an excuse for agitators to inflame well-meaning people against all forms of property, and to commit the country to schemes of wild, would-be remedy which would work infinitely more harm than the disease itself. The Government ought not to conduct the business of the country; but it ought to regulate it so that it shall be conducted in the interest of the public.

Perhaps the best justification of the course which in the National Government we have been pursuing in the past few years, and which we intend steadily and progressively to pursue in the future, is that it is condemned with almost equal rancor alike by the reactionaries — the Bourbons — on one side, and by the wild apostles of unrest on the other. The reactionary is bitterly angry because we have deprived him of that portion of his power which he misuses to the public hurt; the agitator is angered for various reasons, including among others the fact that by remedying the abuses we have deprived him of the fulcrum of real grievance, which alone renders the lever of irrational agitation formidable.

We have actually accomplished much. But we have not accomplished all, nor anything like all, that we feel must be accomplished. We shall not halt; we shall steadily follow the path we have marked out, executing the laws we have succeeded in putting upon the statute books with absolute impartiality as between man and man,

and unresting in our endeavor to strengthen and supplement these by further laws which shall enable us in more efficient and more summary fashion to achieve the ends whe have in view.

During the last few years Congress has had to deal with such vitally important questions as providing for the building of the Panama Canal, inaugurating the vast system of national irrigation in the States of the Great Plains and the Rocky Mountains, providing for a Pacific cable, upbuilding the navy, and so forth. Yet in addition to these tasks, some of which are of stupendous importance, Congress has taken giant strides along the path of Government regulation and control of corporations; the interstate commerce law has been made effective in radical and far-reaching fashion, rebates have been stopped, a pure-food law has been passed, proper supervision of the meat-packing business provided, and the Bureau of Corporations established — a bureau which has already done great good, and which can and should be given a constantly increasing functional power.

The work of legislation has been no more important than the work done by the Department of Justice in executing the laws, not only against corporations and individuals who have broken the anti-trust or interstate commerce law, but against those who have been engaged in land frauds. Scores of suits, civil and criminal, have been successfully undertaken against offenders of all kinds — many of them against the most formidable and wealthy combinations in the land; in some the combinations have been dissolved, in some heavy fines have been im-

posed, in several cases the chief offenders have been imprisoned.

It behooves us Americans to look ahead and plan out the right kind of a civilization, as that which we intend to develop from these wonderful new conditions of vast industrial growth. It must not be, it shall not be, the civilization of a mere plutocracy, a banking-house, Wall-Street-syndicate civilization; nor yet can there be submission to class hatred, to rancor, brutality, and mob violence, for that would mean the end of all civilization. Increased powers are susceptible of abuse as well as use; never before have the opportunities for selfishness been so great, nor the results of selfishness so appalling; for in communities where everything is organized on a merely selfish commercial basis, such selfishness, if unchecked, may transform the great forces of the new epoch into powers of destruction hitherto unequaled.

We need to check the forces of greed, to ensure just treatment alike of capital and of labor, and of the general public, to prevent any man, rich or poor, from doing or receiving wrong, whether this wrong be one of cunning or of violence. Much can be done by wise legislation and by resolute enforcement of the law. But still more must be done by steady training of the individual citizen, in conscience and character, until he grows to abhor corruption and greed and tyranny and brutality and to prize justice and fair dealing.

The men who are to do the work of the new epoch must be trained so as to have a sturdy self-respect, a power of sturdy insistence on their own rights, and with it a proud and generous

recognition of their duties, a sense of honorable obligation to their fellows, which will bind them, as by bands of steel, to refrain in their daily work at home or in their business from doing aught to any man which can not be blazoned under the noonday sun.

INDIVIDUAL CITIZENSHIP THE BASIS OF NATIONAL SUCCESS

FROM AN ADDRESS DELIVERED IN YORK, PENNSYLVANIA, OCTOBER 4, 1906

THIS part of your great State is a veritable garden of the Lord. Passing through it to-day I am impressed, as I always am impressed when I pass through it, by its wonderful fertility; by the chances it opens to every man to do well materially, and therefore, if he chooses, to do well in the things that are not merely material. This old historic city of yours is now pulsing with a new life; it has become a great and growing manufacturing city. Your farm country round about is studded over with prosperous farms. And one thing I notice: On each farm the barn is bigger than the house; a good proof that the right kind of man owns the farm. When a farmer's barn is smaller than his house, then the farm is in danger. Your people here have won out, your farmers have made their great success, largely because they have proved true to the old proverb that you will see practically applied in all farming regions where there is a good percentage of German blood, and that is: however hard the year, lay up a little. If you do you will find your sons ahead of the game.

If you possess such an unhappy nature as to make you refuse to lay up a little because you can not lay up a great deal, then you will never lay up anything. It is true always and everywhere that an ounce of thrift and hard work is worth a great many pounds of envy of some one else and of statements of how well you could do if conditions were a little bit different.

There are plenty of apostles of discontent; there are plenty of men who will try to teach you that our social and industrial conditions are all wrong and must be completely overset. There is urgent need for betterment in a great many of our conditions; there is urgent need that we should each of us resolutely do his part in helping solve the great problems of the day — the problems that need governmental action. But we never can afford to forget that the most important factor in the success of this country is the factor of individual citizenship. I do not care if you had the most perfect laws that could be devised by the wit of man or the wit of angels, they would not amount to anything if the average man was not a pretty decent fellow; and I base my firm belief in the future of this country because I believe the average American is a pretty decent fellow. Nothing can take the place of the individual factor, of the average man's quality and character, his industry, his energy, his thrift, his decency, his determination to be a good man in his own home, a good neighbor, and a good citizen in his relations to the state. Of all men distrust most the man who tries to incite one set of Americans against another set of Americans.

What we have to demand of our neighbors if

we are true to our principles of citizenship here in this country, is not as to whether they are rich or poor, whether they live in the city or the country, the North or the South, the East or the West; but whether they are decent, hard-working, law-abiding Americans, trying to do their duty as light is given them to see their duty. If they fulfil those requirements, then they have a right to claim comradeship with us and a right to challenge our support.

The first factor in winning out in our national life must always remain the individual character. The man has to help himself first. Remember that there is nothing so very peculiar in running the State or the Government; you need only apply the same principles to it that you do in your own life. Among your friends and neighbors, which one is it that wins success — the man who does his best with the tools at hand, or the man who is always sitting down and thinking that some one should give him a push along? No government can help that man who is always sitting down. Each one of us stumbles at times, and shame on any one of us who will not reach out a helping hand to his brother who stumbles. Help him in the only way that any real help can ever come; help him to help himself. But if he lies down, it is of no use to try to carry him.

Our immense industrial success, the very success which has made York what it is and will make it so much bigger and more prosperous in the future, brings great problems. There is every reason why the Government should exercise a constantly increasing supervision over and control of the great fortunes used in business,

so as to see that the great corporations, the great fortunes generally that are used in business, shall be so used as to be in the interest of and not against the interests of the ordinary people, the general public. Never for one moment permit that movement for the supervision of wealth, that movement to see that wealth is used aright, to degenerate into a movement of hatred and malice. Hatred and malice are mighty ugly sentiments, and are just as bad if you hate and envy a rich man as if you hate and look down upon a poor man. The safe doctrine is to give each man fair play, and just a little more than fair play if you can.

In the effort to reform existing conditions where they are wrong, in the effort to strive, for instance, to give a constantly increasing governmental supervision over the use of wealth in railroads, in big corporations, in all business, remember that our success is conditioned upon our neither being led astray by the reactionaries on one side, nor by the sinister or foolish extremists on the other. I want to see the relations of the Government, representing the people as a whole, as regards the supervision and control of these great corporations, determined by the moderates, the plain men who merely want justice, who are resolute to see that the rich man does his duty and does not do anything wrong, but who are equally resolute to see that he does not have any injustice dealt out to him in return. No man is a true servant of the people if he does not always warn the people that those who take the sword shall perish by the sword; that the people who do injustice to any class of citizens

must surely in the end suffer for doing that injustice.

This Government will succeed because it shall never fall into such a pit as the republics of old fell into; this Government shall not be a Government by a plutocracy and it shall not be a Government by a mob. It is to be and it shall be a Government by the plain people, where each man zealously guards his own rights and no less scrupulously remembers his duty and pays due regard to the rights of others; a Government whose guiding principle is and shall be that each man, rich or poor, whatever his rank, whatever his occupation, whatever his creed, is to be judged solely on his worth and merits as a man.

PRESIDENT ROOSEVELT AND MR. HARRIMAN

LETTER WRITTEN BY MR. ROOSEVELT, OCTOBER 8, 1906, TO HON. JAMES S. SHERMAN, MEMBER OF CONGRESS FROM NEW YORK, ENCLOSING A COPY OF CORRESPONDENCE WITH MR. E. H. HARRIMAN, IN THE FALL OF 1904

My Dear Sherman:

Since you left this morning I succeeded in getting hold of the letters to which I referred, and I send you a copy of Governor Odell's letter to me of December 10, 1904.

As I am entirely willing that you should show this letter to Mr. E. H. Harriman, I shall begin by repeating what you told me he said to you on the occasion last week when you went

to ask him for a contribution to the campaign. You informed me that he then expressed great dissatisfaction with me, and said, in effect, that as long as I was at the head of the Republican Party or as it was dominated by the policies which I advocate and represent, he would not support it, and was quite indifferent whether Hearst beat Hughes or not, whether the Democrats carried Congress or not. He gave as a reason for his personal dislike of me partly my determination to have the railroads supervised, and partly the alleged fact that after promising him to appoint Depew Ambassador to France I failed to do it; and I understood you to say that he alleged that I made this promise at a time when he had come down to see me in Washington, when I requested him to raise two hundred and fifty thousand dollars for the Republican Presidential campaign which was then on. Any such statement is a deliberate and wilful untruth — by rights it should be characterized by an even shorter and more ugly word. I never requested Mr. Harriman to raise a dollar for the Presidential campaign of 1904. On the contrary, our communications as regards the campaign related exclusively to the fight being made against Mr. Higgins for Governor of New York, Mr. Harriman being immensely interested in the success of Mr. Higgins because he regarded the attack on Higgins as being really an attack on him, Mr. Harriman, and on his friend, Governor Odell; and he was concerned only in getting me to tell Mr. Cortelyou to aid Mr. Higgins so far as he could, which I gladly did. He also (I think more than once) urged me to

promise to make Senator Depew Ambassador to France, giving me in detail the reason why this would help Governor Odell, by pleasing certain big financial interests. I informed him that I did not believe it would be possible for me to appoint Mr. Depew, and furthermore expressed my surprise at his saying that the men representing the big financial interests of New York wished that appointment made, inasmuch as a number of them had written to me asking that the same place be given to Mr. Hyde, and that as a matter of fact, while I was not prepared to announce any decision, I doubted whether I could appoint either Mr. Depew or Mr Hyde to the place. As soon as Mr. Harriman heard that Mr. Hyde was a candidate and had asked the name of his backers, he hastily said that he did not wish to be understood as antagonizing Mr. Hyde and would be quite willing to support him; and though I understood that he still preferred Mr. Depew, he left me strongly under the impression that he would be almost as well satisfied with Mr. Hyde, and was much discontented at my informing him so positively, not once, but repeatedly, that I did not think I should be able to appoint either.

His and my letters now before me of the fall of 1904 run as follows. On his return from spending the summer in Europe, on September 20, he wrote me stating that if I thought it desirable he would come to see me at any time, either then or later (he had been, as you remember, a delegate to the Republican National Convention, having voted for my nomination). On September 23 I answered this letter, saying:

"At present there is nothing for me to see you about, though there were one or two points in my letter of acceptance which I should have liked to discuss with you before putting it out."

On October 10 I wrote him:

"In view of the trouble over the State ticket in New York, I should much like to have a few words with you. Do you think you can get down here within a few days and take either lunch or dinner with me?"

The trouble I spoke of had reference to the bolt against Higgins — that is, in reality against Mr. Harriman and Mr. Harriman's friend, Governor Odell. A reference to the files of the New York papers at that time will show that there was a very extensive bolt against Mr. Higgins upon the ground that Governor Odell had nominated him, and that he had in some matter favored Mr. Harriman over-much — neither ground, in my judgment, being tenable. Mr. Harriman's backing of Governor Odell and extreme anxiety that he should win out, by securing Higgin's election, was a matter of common notoriety, and mentioned in all the papers; notably in the New York *Sun*. On October 12 Mr. Harriman wrote me:

"I am giving a very large part of my time to correcting the trouble here, and intend to do so if any effort on my part can accomplish it. . . . I will take occasion the first of next week to run down to see you, and think by that time the conditions will be very much improved."

After receiving this letter I wrote Mr. Harriman the following letter, which I give in full:

"*Personal.*

"*October 14, 1904.*

"My Dear Mr. Harriman:

"A suggestion has come to me in a roundabout way that you do not think it wise to come on to see me in these closing weeks of the campaign, but that you are reluctant to refuse, inasmuch as I have asked you. Now, my dear sir, you and I are practical men, and you are on the ground and know the conditions better than I do. If you think there is any danger of your visit to me causing trouble, or if you think there is nothing special I should be informed about, or no matter in which I could give aid, why, of course give up the visit for the time being, and then a few weeks hence before I write my message I shall get you to come down to discuss certain Government matters not connected with the campaign.

"With great regard,

Sincerely yours."

You will see that this letter is absolutely incompatible with any theory that I was asking Mr. Harriman to come down to see me in my own interest, or intended to make any request of any kind for help from him. On the contrary, all I was concerned with in seeing him was to know if I could be of help in securing the election of Mr. Higgins — a man for whom I had the highest respect, and who I believed would be, as in fact he has been, a most admirable Governor.

Moreover, the following letter will show that Mr. Harriman did not have in his mind any idea of my asking him to collect money, and that, on

the contrary, what he was concerned about in connection with my letter to him was the allusion I made to the fact that I would like to see him before I wrote my message to discuss certain Government matters not connected with the campaign. His letter, which is of November 30, runs as follows:

"DEAR MR. PRESIDENT:

"I just have had a telephone talk with Mr. Loeb, and requested him to give you a message from me.

"I drew his attention to the last paragraph of your letter to me of October 14 last, and explained that of course I did not want to make a trip to Washington unless it should be necessary; that the only matter I knew of, and about which I had any apprehension, and which might be referred to in your coming message to Congress, is that regarding the Interstate Commerce Commission, and what the attitude of the railroads should be toward it.

"I have communications from many conservative men in the West, asking me to take the matter up, they having, which I have not, information as to what you propose to say in your message on that subject, and I am very apprehensive about it.

"Mr. Loeb stated he believed that this part of the message could be sent to me, and I hope that he will do so. I sincerely believe it would be best for all interests that no reference be made to the subject, and in any event if referred to in such a way as not to bring about increased agitation. It is, as you well know, the conservative element, and the one on which

we all rely, which is the most seldom heard from. Yours sincerely."

This letter to me was crossed by one from me, which reads as follows:

"*Strictly Personal.*

"*November 30, 1904.*

"My Dear Mr. Harriman:

"Mr. Loeb tells me that you called me up to-day on the telephone and recalled my letter to you of October 14, in which I spoke to you of a desire to see you before sending in my message, as I wanted to go over with you certain governmental matters, and you added that you had heard that I had referred to the Interstate Commerce Commission; that you regretted this and wished I had left it out. In writing to you I had in view, especially, certain matters connected with currency legislation, and had not thought of discussing railroad matters with you. However, if it had occurred to me, I should have been delighted to do so; but if you remember when you were down here both you and I were so interested in certain of the New York political developments that I hardly, if at all, touched on governmental matters. As regards what I have said in my message about the Interstate Commerce Commission, while, as I say, I should have been delighted to go over it with you, I must also frankly say that my mind was definitely made up. Certain revelations connected with the investigation of the beef trust caused me to write the paragraph in question. I went with extreme care over the information in possession of the Interstate Commerce Com-

mission and of the Bureau of Corporations before writing it. I then went over the written paragraph again and again with Paul Morton, who is of all my Cabinet the most familiar with railroad matters, of course, and with Root, Knox, Taft, and Moody. It is a matter I had been carefully considering for two years, and had been gradually, though reluctantly, coming to the conclusion that it is unwise and unsafe from every standpoint to leave the question of rebates where it now is, and to fail to give the Interstate Commerce Commission additional power of an effective kind in regulating these rates.

"Let me repeat that I did not have this question in mind when I asked you to come down, but that I should most gladly have talked it over with you if it had occurred to me to do so; but, as a matter of fact, as you will remember, when you did come down to see me, you and I were both so engaged in the New York political situation that we talked of little else; and finally that the position I have taken has not been taken lightly, but after thinking over the matter and looking at it from different standpoints for at least two years, and after the most careful consultation with Morton, Taft, Moody, Knox, and Root as to the exact phraseology I should use.

"I do not send you a copy, simply because I have given no one a copy, not even the men above mentioned. It is impossible if I give out copies of any portions of my message to prevent the message being known in advance; and the three press associations who now have the message are under a heavy penalty not to disclose a word of it before the appointed time.

"Sincerely yours."

On December 2 he wrote me the following letter on the same subject:

"DEAR MR. PRESIDENT:

"Thank you for your favor of the 30th.

"It was natural for me to suppose that railroad matters would be included in any discussion you and I might have before writing your message. I am of the opinion that an effective Interstate Commerce Commission could regulate the matter of rebates, and absolutely prevent the same, without any additional power of any kind, and, as you say, Paul Morton is more familiar with such matters than any one else in your Cabinet, and I believe he will agree with me in this. I fear there has been a lack of co-operation.

"During the enormous development of the last four years, the railroads have found it very hard to keep pace with the requirements imposed upon them, and the so-called surplus earnings, as well as additional capital, have been devoted to providing additional facilities and the bettering and enlarging of their properties, so as to give the increased and better service required of them. This work of betterment and enlargement must go on, and is all-important for the proper development of all sections of the country. There is little doubt that during the next decade every single-track railroad in the country will have to be double-tracked and provide enlarged terminal and other facilities, and any move that will tend to cripple them financially would be detrimental to all interests over the whole country.

"I beg that you will pardon my not signing this personally, as I have to leave to catch my

train for Arden, and have asked my secretary to sign it for me. Yours sincerely."

I was unable to agree with Mr. Harriman's views on the matter, and left my message unchanged as regards the interstate commerce law. (The rough draft of this portion of the message was completed in October, before the election.) I had always discussed with absolute freedom all my proposed moves in the trust and labor matters with the representatives of the big combinations or big railroads, as well as with the leaders of the labor men, of the farmers' organizations, the shippers' organizations, and the like — that is, I had as freely seen and communicated with Mr. Harriman, Mr. Morgan, Mr. Hill, and other railroad men as I had seen and communicated with Mr. Gompers, Mr. Keefe, Mr. Morrissey, Mr. Morrison, and other labor leaders. Mr. Harriman had, like most of the big railroad men, always written me very strongly protesting against my proposed course as regards the supervision and control over big combinations, and especially over the big railroads — in a letter of his of August 19, 1902, for instance, he expressed the fear that a panic would follow my proposed action.

It will be seen that the above correspondence is entirely incompatible with what Mr. Harriman now, as you inform me, alleges as to my having asked him to secure money or to subscribe money for the Presidential campaign. As for the Depew matter, he professed throughout to be acting in the interest of Governor Odell, and though Governor Odell had been anxious that

Mr. Depew should be nominated as Ambassador to France at a time when he was supporting Governor Black for Senator, he had changed his mind shortly after the last letter to me, above quoted, from Mr. Harriman, and on December 10 wrote me the letter I enclose, which reads in part as follows:

"My Dear Mr. Roosevelt:

"A great many of your friends here in New York would be very much delighted and pleased if you could find it possible to appoint Mr. James H. Hyde as Minister to France. . . . Large business interests have given to him splendid executive abilities, and his association with so many prominent business men would be fitting recognition of the effective work done by them in the last campaign.

"In addition to this, he has behind him, I am sure, the approval of Senator Platt and Senator Depew, and, so far as I can speak for the organization, I believe his appointment would be, without question, more satisfactory than any that could be made from New York at the present time.

"Personally, I should appreciate your favorable consideration of this suggestion almost beyond anything else you could do for me. If you so desire, I shall be glad to come down to Washington and talk with you about it, but I believe there are others who are close to you and who feel just as I do, and I thought therefore that this letter would be sufficient as showing the attitude of the organizations and myself personally upon this important appointment."

As you know, I was obliged to refuse the request of the New York financiers and of the Republican organizations of the State and city, not deeming it proper to appoint Mr. Hyde to the position he sought.

So much for what Mr. Harriman said about me personally. Far more important are the additional remarks he made to you, as you inform me, when you asked him if he thought it was well to see Hearstism and the like triumphant over the Republican Party. You inform me that he told you that he did not care in the least, because those people were crooks and he could buy them; that whenever he wanted legislation from a State Legislature he could buy it; that he "could buy Congress," and that if necessary he "could buy the judiciary." This was doubtless said partly in boastful cynicism and partly in a mere burst of bad temper because of his objection to the interstate commerce law and to my actions as President. But it shows a cynicism and deep-seated corruption which makes the man uttering such sentiments, and boasting, no matter how falsely, of his power to perform such crimes, at least as undesirable a citizen as Debs, or Moyer, or Haywood. It is because we have capitalists capable of uttering such sentiments and capable of acting on them that there is strength behind sinister agitators of the Hearst type. The wealthy corruptionist, and the demagogue who excites, in the press or on the stump, in office or out of office, class against class and appeals to the basest passions of the human soul, are fundamentally alike and are equally enemies of the Republic. I was horrified, as was Root, when you told us to-day

what Harriman had said to you. As I say, if you meet him you are entirely welcome to show him this letter, although of course it must not be made public unless required by some reason of public policy, and then only after my consent has first been obtained.

Sincerely yours,
THEODORE ROOSEVELT.

THE ONLY PERIL TO PROSPERITY

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

As a nation we still continue to enjoy a literally unprecedented prosperity; and it is probable that only reckless speculation and disregard of legitimate business methods on the part of the business world can materially mar this prosperity.

CAMPAIGN CONTRIBUTIONS FROM CORPORATIONS

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

I AGAIN recommend a law prohibiting all corporations from contributing to the campaign expenses of any party. Such a bill has already passed one House of Congress. Let individuals contribute as they desire; but let us prohibit in effective fashion all corporations from making contributions for any political purpose, directly or indirectly.

THE GOVERNMENT'S RIGHT OF APPEAL IN CRIMINAL CASES

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

ANOTHER bill which has just passed one House of the Congress and which it is urgently necessary should be enacted into law is that conferring upon the Government the right of appeal in criminal cases on questions of law. This right exists in many of the States; it exists in the District of Columbia by act of the Congress. It is of course not proposed that in any case a verdict for the defendant on the merits should be set aside. Recently in one district where the Government had indicted certain persons for conspiracy in connection with rebates, the court sustained the defendant's demurrer; while in another jurisdiction an indictment for conspiracy to obtain rebates has been sustained by the court, convictions obtained under it, and two defendants sentenced to imprisonment. The two cases referred to may not be in real conflict with each other, but it is unfortunate that there should even be an apparent conflict. At present there is no way by which the Government can cause such a conflict, when it occurs, to be solved by an appeal to a higher court; and the wheels of justice are blocked without any real decision of the question. I can not too strongly urge the passage of the bill in question. A failure to pass it will result in seriously hampering the Government

in its effort to obtain justice, especially against wealthy individuals or corporations who do wrong; and may also prevent the Government from obtaining justice for wage-workers who are not themselves able effectively to contest a case where the judgment of an inferior court has been against them. I have specifically in view a recent decision by a district judge leaving railway employees without remedy for violation of a certain so-called labor statute. It seems an absurdity to permit a single district judge, against what may be the judgment of the immense majority of his colleagues on the bench, to declare a law solemnly enacted by the Congress to be "unconstitutional," and then to deny to the Government the right to have the Supreme Court definitely decide the question.

It is well to recollect that the real efficiency of the law often depends not upon the passage of acts as to which there is great public excitement, but upon the passage of acts of this nature as to which there is not much public excitement, because there is little public understanding of their importance, while the interested parties are keenly alive to the desirability of defeating them. The importance of enacting into law the particular bill in question is further increased by the fact that the Government has now definitely begun a policy of resorting to the criminal law in those trust and interstate commerce cases where such a course offers a reasonable chance of success. At first, as was proper, every effort was made to enforce these laws by civil proceedings; but it has become increasingly evident that the action of the Government in finally deciding, in certain cases, to

undertake criminal proceedings was justifiable; and though there have been some conspicuous failures in these cases, we have had many successes, which have undoubtedly had a deterrent effect upon evil-doers, whether the penalty inflicted was in the shape of fine or imprisonment — and penalties of both kinds have already been inflicted by the courts. Of course, where the judge can see his way to inflict the penalty of imprisonment the deterrent effect of the punishment on other offenders is increased; but sufficiently heavy fines accomplish much. Judge Holt, of the New York District Court, in a recent decision admirably stated the need for treating with just severity offenders of this kind. His opinion runs in part as follows:

"The Government's evidence to establish the defendant's guilt was clear, conclusive, and undisputed. The case was a flagrant one. The transactions which took place under this illegal contract were very large; the amounts of rebates returned were considerable; and the amount of the rebate itself was large, amounting to more than one-fifth of the entire tariff charge for the transportation of merchandise from this city to Detroit. It is not too much to say, in my opinion, that if this business was carried on for a considerable time on that basis — that is, if this discrimination in favor of this particular shipper was made with an eighteen instead of a twenty-three cent rate, and the tariff rate was maintained as against their competitors — the result might be and not improbably would be that their competitors would be driven out of business. This crime is one which in its nature is deliberate and premeditated. I think over a

fortnight elapsed between the date of Palmer's letter requesting the reduced rate and the answer of the railroad company deciding to grant it, and then for months afterward this business was carried on and these claims for rebates submitted month after month and checks in payment of them drawn month after month. Such a violation of the law, in my opinion, in its essential nature, is a very much more heinous act than the ordinary common, vulgar crimes which come before criminal courts constantly for punishment, and which arise from sudden passion or temptation. This crime in this case was committed by men of education and of large business experience, whose standing in the community was such that they might have been expected to set an example of obedience to law, upon the maintenance of which alone in this country the security of their property depends. It was committed on behalf of a great railroad corporation, which, like other railroad corporations, has received gratuitously from the State large and valuable privileges for the public's convenience and its own, which performs quasi public functions and which is charged with the highest obligation in the transaction of its business to treat the citizens of this country alike, and not to carry on its business with unjust discriminations between different citizens or different classes of citizens. This crime in its nature is one usually done with secrecy, and proof of which it is very difficult to obtain. The interstate commerce act was passed in 1887, nearly twenty years ago. Ever since that time complaints of the granting of rebates by railroads has been common, urgent and insistent,

and although the Congress has repeatedly passed legislation endeavoring to put a stop to this evil, the difficulty of obtaining proof upon which to bring prosecution in these cases is so great that this is the first case that has ever been brought in this court, and, as I am informed, this case and one recently brought in Philadelphia are the only cases that have ever been brought in the eastern part of this country. In fact, but few cases of this kind have ever been brought in this country, East or West. Now, under these circumstances, I am forced to the conclusion, in a case in which the proof is so clear and the facts are so flagrant, it is the duty of the court to fix a penalty which shall in some degree be commensurate with the gravity of the offence. As between the two defendants, in my opinion, the principal penalty should be imposed on the corporation. The traffic manager in this case, presumably, acted without any advantage to himself and without any interest in the transaction, either by the direct authority or in accordance with what he understood to be the policy or the wishes of his employer.

"The sentence of this court in this case is, that the defendant Pomeroy, for each of the six offences upon which he has been convicted, be fined the sum of 1,000, making six fines, amounting in all to the sum of $6,000; and the defendant, The New York Central and Hudson River Railroad Company, for each of the six crimes of which it has been convicted, be fined the sum of $18,000, making six fines amounting in the aggregate to the sum of $108,000, and judgment to that effect will be entered in this case."

USE OF INJUNCTIONS IN LABOR CASES

FROM A MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

In my last message I suggested the enactment of a law in connection with the issuance of injunctions, attention having been sharply drawn to the matter by the demand that the right of applying injunctions in labor cases should be wholly abolished. It is at least doubtful whether a law abolishing altogether the use of injunctions in such cases would stand the test of the courts; in which case of course the legislation would be ineffective. Moreover, I believe it would be wrong altogether to prohibit the use of injunctions. It is criminal to permit sympathy for criminals to weaken our hands in upholding the law; and if men seek to destroy life or property by mob violence there should be no impairment of the power of the courts to deal with them in the most summary and effective way possible. But so far as possible the abuse of the power should be provided against by some such law as I advocated last year.

In this matter of injunctions there is lodged in the hands of the judiciary a necessary power which is nevertheless subject to the possibility of grave abuse. It is a power that should be exercised with extreme care and should be subject to the jealous scrutiny of all men, and condemnation should be meted out as much to

the judge who fails to use it boldly when necessary as to the judge who uses it wantonly or oppressively. Of course a judge strong enough to be fit for his office will enjoin any resort to violence or intimidation, especially by conspiracy, no matter what his opinion may be of the rights of the original quarrel. There must be no hesitation in dealing with disorder. But there must likewise be no such abuse of the injunctive power as is implied in forbidding laboring men to strive for their own betterment in peaceful and lawful ways; nor must the injunction be used merely to aid some big corporation in carrying out schemes for its own aggrandizement. It must be remembered that a preliminary injunction in a labor case, if granted without adequate proof (even when authority can be found to support the conclusions of law on which it is founded), may often settle the dispute between the parties; and therefore if improperly granted may do irreparable wrong. Yet there are many judges who assume a matter-of-course granting of a preliminary injunction to be the ordinary and proper judicial disposition of such cases; and there have undoubtedly been flagrant wrongs committed by judges in connection with labor disputes even within the last few years, although I think much less often than in former years. Such judges by their unwise action immensely strengthen the hands of those who are striving entirely to do away with the power of injunction; and therefore such careless use of the injunctive process tends to threaten its very existence, for if the American people ever become convinced that this process is habitually abused, whether in matters affecting labor

or in matters affecting corporations, it will be well-nigh impossible to prevent its abolition.

It may be the highest duty of a judge at any given moment to disregard, not merely the wishes of individuals of great political or financial power, but the overwhelming tide of public sentiment; and the judge who does thus disregard public sentiment when it is wrong, who brushes aside the plea of any special interest when the pleading is not founded on righteousness, performs the highest service to the country. Such a judge is deserving of all honor; and all honor can not be paid to this wise and fearless judge if we permit the growth of an absurd convention which would forbid any criticism of the judge of another type, who shows himself timid in the presence of arrogant disorder, or who on insufficient grounds grants an injunction that does grave injustice, or who in his capacity as a construer, and therefore in part a maker, of the law, in flagrant fashion thwarts the cause of decent government. The judge has a power over which no review can be exercised; he himself sits in review upon the acts of both the executive and legislative branches of the Government; save in the most extraordinary cases he is amenable only at the bar of public opinion; and it is unwise to maintain that public opinion in reference to a man with such power shall neither be expressed nor led.

The best judges have ever been foremost to disclaim any immunity from criticism. This has been true since the days of the great English Lord Chancellor Parker, who said: "Let all people be at liberty to know what I found my judgment upon; that so, when I have given it

in any cause, others may be at liberty to judge of *me*." The proprieties of the case were set forth with singular clearness and god temper by Judge W. H. Taft, when a United States Circuit judge, eleven years ago, in 1895:

"The opportunity freely and publicly to criticize judicial action is of vastly more importance to the body politic than the immunity of courts and judges from unjust aspersions and attack. Nothing tends more to render judges careful in their decisions and anxiously solicitous to do exact justice than the consciousness that every act of theirs is to be subjected to the intelligent scrutiny and candid criticism of their fellow-men. Such criticism is beneficial in proportion as it is fair, dispassionate, discriminating, and based on a knowledge of sound legal principles. The comments made by learned text writers and by the acute editors of the various law reviews upon judicial decisions are therefore highly useful. Such critics constitute more or less impartial tribunals of professional opinion before which each judgment is made to stand or fall on its merits, and thus exert a strong influence to secure uniformity of decision. But non-professional criticism also is by no means without its uses, even if accompanied, as it often is, by a direct attack upon the judicial fairness and motives of the occupants of the bench; for if the law is but the essence of common sense, the protest of many average men may evidence a defect in a judicial conclusion, though based on the nicest legal reasoning and profoundest learning. The two important elements of moral character in a judge are an earnest desire to reach a just conclusion and courage to enforce

it. In so far as fear of public comment does not affect the courage of a judge, but only spurs him on to search his conscience and to reach the result which approves itself to his inmost heart, such comment serves a useful purpose. There are few men, whether they are judges for life or for a shorter term, who do not prefer to earn and hold the respect of all, and who can not be reached and made to pause and deliberate by hostile public criticism. In the case of judges having a life tenure, indeed, their very independence makes the right freely to comment on their decisions of greater importance, because it is the only practical and available instrument in the hands of a free people to keep such judges alive to the reasonable demands of those they serve.

"On the other hand, the danger of destroying the proper influence of judicial decisions by creating unfounded prejudices against the courts justifies and requires that unjust attacks shall be met and answered. Courts must ultimately rest their defence upon the inherent strength of the opinions they deliver as the ground for their conclusions and must trust to the calm and deliberate judgment of all the people as their best vindication."

There is one consideration which should be taken into account by the good people who carry a sound proposition to an excess in objecting to any criticism of a judge's decision. The instinct of the American people as a whole is sound in this matter. They will not subscribe to the doctrine that any public servant is to be above all criticism. If the best citizens, those most competent to express their judgment in such matters, and above all those belonging to

the great and honorable profession of the bar, so profoundly influential in American life, take the position that there shall be no criticism of a judge under any circumstances, their view will not be accepted by the American people as a whole. In such event the people will turn to, and tend to accept as justifiable, the intemperate and improper criticism uttered by unworthy agitators. Surely it is a misfortune to leave to such critics a function, right in itself, which they are certain to abuse. Just and temperate criticism, when necessary, is a safeguard against the acceptance by the people as a whole of that intemperate antagonism toward the judiciary which must be combated by every right-thinking man, and which, if it became widespread among the people at large, would constitute a dire menace to the Republic.

PREACHERS OF DISCONTENT AND CLASS HATRED

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

In dealing with both labor and capital, with the questions affecting both corporations and trades unions, there is one matter more important to remember than aught else, and that is the infinite harm done by preachers of mere discontent. These are the men who seek to excite a violent class hatred against all men of wealth. They seek to turn wise and proper movements for the better control of corporations and for doing away with the abuses connected with

wealth into a campaign of hysterical excitement and falsehood in which the aim is to inflame to madness the brutal passions of mankind. The sinister demagogues and foolish visionaries who are always eager to undertake such a campaign of destruction sometimes seek to associate themselves with those working for a genuine reform in governmental and social methods, and sometimes masquerade as such reformers. In reality they are the worst enemies of the cause they profess to advocate, just as the purveyors of sensational slander in newspaper or magazine are the worst enemies of all men who are engaged in an honest effort to better what is bad in our social and governmental conditions. To preach hatred of the rich man as such, to carry on a campaign of slander and invective against him, to seek to mislead and inflame to madness honest men whose lives are hard and who have not the kind of mental training which will permit them to appreciate the danger in the doctrines preached — all this is to commit a crime against the body politic and to be false to every worthy principle and tradition of American national life. Moreover, while such preaching and such agitation may give a livelihood and a certain notoriety to some of those who take part in it, and may result in the temporary political success of others, in the long run every such movement will either fail or else will provoke a violent reaction, which will itself result not merely in undoing the mischief wrought by the demagogue and the agitator, but also in undoing the good that the honest reformer, the true upholder of popular rights, has painfully and laboriously achieved. Corruption is never so rife as in

communities where the demagogue and the agitator bear full sway, because in such communities all moral bands become loosened, and hysteria and sensationalism replace the spirit of sound judgment and fair dealing as between man and man. In sheer revolt against the squalid anarchy thus produced men are sure in the end to turn toward any leader who can restore order, and then their relief at being free from the intolerable burdens of class hatred, violence, and demagogy is such that they can not for some time be aroused to indignation against misdeeds by men of wealth; so that they permit a new growth of the very abuses which were in part responsible for the original outbreak. The one hope for success for our people lies in a resolute and fearless, but sane and cool-headed, advance along the path marked out last year by this very Congress. There must be a stern refusal to be misled into following either that base creature who appeals and panders to the lowest instincts and passions in order to arouse one set of Americans against their fellows, or that other creature, equally base but no baser, who in a spirit of greed, or to accumulate or add to an already huge fortune, seeks to exploit his fellow-Americans with callous disregard to their welfare of soul and body. The man who debauches others in order to obtain a high office stands on an evil equality of corruption with the man who debauches others for financial profit; and when hatred is sown the crop which springs up can only be evil.

The plain people who think — the mechanics, farmers, merchants, workers with head or hand, the men to whom American traditions are dear,

who love their country and try to act decently by their neighbors, owe it to themselves to remember that the most damaging blow that can be given popular government is to elect an unworthy and sinister agitator on a platform of violence and hypocrisy. Whenever such an issue is raised in this country, nothing can be gained by flinching from it, for in such case democracy is itself on trial, popular self-government under republican forms is itself on trial. The triumph of the mob is just as evil a thing as the triumph of the plutocracy, and to have escaped one danger avails nothing whatever if we succumb to the other. In the end the honest man, whether rich or poor, who earns his own living and tries to deal justly by his fellows, has as much to fear from the insincere and unworthy demagogue, promising much and performing nothing, or else performing nothing but evil, who would set on the mob to plunder the rich, as from the crafty corruptionist, who, for his own ends, would permit the common people to be exploited by the very wealthy. If we ever let this Government fall into the hands of men of either of these two classes, we shall show ourselves false to America's past. Moreover, the demagogue and the corruptionist often work hand in hand. There are at this moment wealthy reactionaries of such obtuse morality that they regard the public servant who prosecutes them when they violate the law, or who seeks to make them bear their proper share of the public burdens, as being even more objectionable than the violent agitator who hounds on the mob to plunder the rich. There is nothing to choose between such a reactionary and

such an agitator; fundamentally they are alike in their selfish disregard of the rights of others; and it is natural that they should join in opposition to any movement of which the aim is fearlessly to do exact and even justice to all.

LIMITING THE HOURS OF EMPLOYMENT OF RAILWAY EMPLOYEES

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

I CALL your attention to the need of passing the bill limiting the number of hours of employment of railroad employees. The measure is a very moderate one, and I can conceive of no serious objection to it. Indeed, so far as it is in our power, it should be our aim steadily to reduce the number of hours of labor, with as a goal the general introduction of an eight-hour day. There are industries in which it is not possible that the hours of labor should be reduced; just as there are communities not far enough advanced for such a movement to be for their good, or, if in the Tropics, so situated that there is no analogy between their needs and ours in this matter. On the Isthmus of Panama, for instance, the conditions are in every way so different from what they are here that an eight-hour day would be absurd; just as it is absurd, so far as the Isthmus is concerned, where white labor can not be employed, to bother as to whether the necessary work is done by alien black men or by alien yellow men. But the wage-workers of the United States are of so

high a grade that alike from the merely industrial standpoint and from the civic standpoint it should be our object to do what we can in the direction of securing the general observance of an eight-hour day. Until recently the eight-hour law on our Federal statute books has been very scantily observed. Now, however, largely through the instrumentality of the Bureau of Labor, it is being rigidly enforced, and I shall speedily be able to say whether or not there is need of further legislation in reference thereto; for our purpose is to see it obeyed in spirit no less than in letter. Half-holidays during summer should be established for Government employees; it is as desirable for wage-workers who toil with their hands as for salaried officials whose labor is mental that there should be a reasonable amount of holiday.

LABOR OF WOMEN AND CHILDREN

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

THE Congress at its last session wisely provided for a truant court for the District of Columbia; a marked step in advance on the path of properly caring for the children. Let me again urge that the Congress provide for a thorough investigation of the conditions of child labor and of the labor of women in the United States. More and more our people are growing to recognize the fact that the questions which are not merely of industrial but of social importance outweigh all others; and these two

questions most emphatically come in the category of those which affect in the most far-reaching way the home life of the Nation. The horrors incident to the employment of young children in factories or at work anywhere are a blot on our civilization. It is true that each State must ultimately settle the question in its own way; but a thorough official investigation of the matter, with the results published broadcast, would greatly help toward arousing the public conscience and securing unity of State action in the matter. There is, however, one law on the subject which should be enacted immediately, because there is no need for an investigation in reference thereto, and the failure to enact it is discreditable to the National Government. A drastic and thoroughgoing child-labor law should be enacted for the District of Columbia and the Territories.

EMPLOYERS' LIABILITY

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

Among the excellent laws which the Congress passed at the last session was an employers' liability law. It was a marked step in advance to get the recognition of employers' liability on the statute books; but the law did not go far enough. In spite of all precautions exercised by employers there are unavoidable accidents and even deaths involved in nearly every line of business connected with the mechanic arts. This inevitable sacrifice of life may be reduced to a

minimum, but it can not be completely eliminated. It is a great social injustice to compel the employee, or rather the family of the killed or disabled victim, to bear the entire burden of such an inevitable sacrifice. In other words, society shirks its duty by laying the whole cost on the victim, whereas the injury comes from what may be called the legitimate risks of the trade. Compensation for accidents or deaths due in any line of industry to the actual conditions under which that industry is carried on, should be paid by that portion of the community for the benefit of which the industry is carried on — that is, by those who profit by the industry. If the entire trade risk is placed upon the employer he will promptly and properly add it to the legitimate cost of production and assess it proportionately upon the consumers of his commodity. It is therefore clear to my mind that the law should place this entire "risk of a trade" upon the employer. Neither the Federal law nor, as far as I am informed, the State laws dealing with the question of employers' liability are sufficiently thoroughgoing. The Federal law should of course include employees in navy yards, arsenals, and the like.

FEDERAL INVESTIGATION OF STRIKES AND LOCKOUTS

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

THE commission appointed by the President, October 16, 1902, at the request of both the an-

thracite coal operators and miners, to inquire into, consider, and pass upon the question in controversy in connection with the strike in the anthracite regions of Pennsylvania and the causes out of which the controversy arose, in their report, findings, and award expressed the belief "that the State and Federal Governments should provide the machinery for what may be called the compulsory investigation of controversies between employers and employees when they arise." This expression of belief is deserving of the favorable consideration of the Congress and the enactment of its provisions into law. A bill has already been introduced to this end.

Records show that during the twenty years from January 1, 1881, to December 31, 1900, there were strikes affecting 117,509 establishments, and 6,105,694 employees were thrown out of employment. During the same period there were 1,005 lockouts, involving nearly 10,000 establishments, throwing over one million people out of employment. These strikes and lockouts involved an estimated loss to employees of $307,000,000 and to employers of $143,000,000, a total of $450,000,000. The public suffered directly and indirectly probably as great additional loss. But the money loss, great as it was, did not measure the anguish and suffering endured by the wives and children of employees whose pay stopped when their work stopped, or the disastrous effect of the strike or lockout upon the business of employers, or the increase in the cost of products and the inconvenience and loss to the public.

Many of these strikes and lockouts would not have occurred had the parties to the dispute been

required to appear before an unprejudiced body representing the Nation and, face to face, state the reasons for their contention. In most instances the dispute would doubtless be found to be due to a misunderstanding by each of the other's rights, aggravated by an unwillingness of either party to accept as true the statements of the other as to the justice or injustice of the matters in dispute. The exercise of a judicial spirit by a disinterested body representing the Federal Government, such as would be provided by a commission on conciliation and arbitration would tend to create an atmosphere of friendliness and conciliation between contending parties; and the giving each side an equal opportunity to present fully its case in the presence of the other would prevent many disputes from developing into serious strikes or lockouts, and, in other cases, would enable the commission to persuade the opposing parties to come to terms.

In this age of great corporate and labor combinations, neither employers nor employees should be left completely at the mercy of the stronger party to a dispute, regardless of the righteousness of their respective claims. The proposed measure would be in the line of securing recognition of the fact that in many strikes the public has itself an interest which can not wisely be disregarded; an interest not merely of general convenience, for the question of a just and proper public policy must also be considered. In all legislation of this kind it is well to advance cautiously, testing each step by the actual results; the step proposed can surely be safely taken, for the decisions of the commission would not bind the parties in legal fashion, and

yet would give a chance for public opinion to crystallize and thus to exert its full force for the right.

THE MIDDLE COURSE IN FEDERAL CONTROL OF CORPORATIONS

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

THE present Congress has taken long strides in the direction of securing proper supervision and control by the National Government over corporations engaged in interstate business — and the enormous majority of corporations of any size are engaged in interstate business. The passage of the railway rate bill, and only to a less degree the passage of the pure food bill, and the provision for increasing and rendering more effective national control over the beef-packing industry, mark an important advance in the proper direction. In the short session it will perhaps be difficult to do much further along this line; and it may be best to wait until the laws have been in operation for a number of months before endeavoring to increase their scope, because only operation will show with exactness their merits and their shortcomings and thus give opportunity to define what further remedial legislation is needed. Yet in my judgment it will in the end be advisable in connection with the packing house inspection law to provide for putting a date on the label and for charging the cost of inspection to the packers. All these laws have already justified their enactment. The

interstate commerce law, for instance, has rather amusingly falsified the predictions, both of those who asserted that it would ruin the railroads and of those who asserted that it did not go far enough and would accomplish nothing. During the last five months the railroads have shown increased earnings and some of them unusual dividends; while during the same period the mere taking effect of the law has produced an unprecedented, a hitherto unheard-of number of voluntary reductions in freights and fares by the railroads. Since the founding of the Commission there has never been a time of equal length in which anything like so many reduced tariffs have been put into effect. On August 27, for instance, two days before the new law went into effect, the Commission received notices of over five thousand separate tariffs which represented reductions from previous rates.

It must not be supposed, however, that with the passage of these laws it will be possible to stop progress along the line of increasing the power of the National Government over the use of capital in interstate commerce. For example, there will ultimately be need of enlarging the powers of the Interstate Commerce Commission along several different lines, so as to give it a larger and more efficient control over the railroads.

It can not too often be repeated that experience has conclusively shown the impossibility of securing by the actions of nearly half a hundred different State Legislatures anything but ineffective chaos in the way of dealing with the great corporations which do not operate exclusively within the limits of any one State. In

some method, whether by a national license law or in any other fashion, we must exercise, and that at an early date, a far more complete control than at present over these great corporations — a control that will, among other things, prevent the evils of excessive overcapitalization, and that will compel the disclosure by each big corporation of its stockholders and of its properties and business, whether owned directly or through subsidiary or affiliated corporations. This will tend to put a stop to the securing of inordinate profits by favored individuals at the expense of the general public, the stockholders, or the wage-workers. Our effort should be not so much to prevent consolidation as such, but so to supervise and control it as to see that it results in no harm to the people. The reactionary or ultra conservative apologists for the misuse of wealth assail the effort to secure such control as a step toward socialism. As a matter of fact, it is these reactionaries and ultra conservatives who are themselves most potent in increasing socialistic feeling. One of the most efficient methods of averting the consequences of a dangerous agitation, which is 80 per cent. wrong, is to remedy the 20 per cent. of evil as to which the agitation is well founded. The best way to avert the very undesirable move for the governmental ownership of railways is to secure by the Government on behalf of the people as a whole such adequate control and regulation of the great interstate common carriers as will do away with the evils which give rise to the agitation against them. So the proper antidote to the dangerous and wicked agitation against the men of wealth as such is to secure by proper legislation and ex-

ecutive action the abolition of the grave abuses which actually do obtain in connection with the business use of wealth under our present system — or rather no system — of failure to exercise any adequate control at all. Some persons speak as if the exercise of such governmental control would do away with the freedom of individual initiative and dwarf individual effort. This is not a fact. It would be a veritable calamity to fail to put a premium upon individual iniative, individual capacity and effort; upon the energy, character, and foresight which it is so important to encourage in the individual. But as a matter of fact the deadening and degrading effect of pure socialism, and especially of its extreme form communism, and the destruction of individual character which they would bring about, are in part achieved by the wholly unregulated competition which results in a single individual or corporation rising at the expense of all others until his or its rise effectually checks all competition and reduces former competitors to a position of utter inferiority and subordination.

In enacting and enforcing such legislation as this Congress already has to its credit, we are working on a coherent plan, with the steady endeavor to secure the needed reform by the joint action of the moderate men, the plain men who do not wish anything hysterical or dangerous, but who do intend to deal in resolute common-sense fashion with the real and great evils of the present system. The reactionaries and the violent extremists show symptons of joining hands against us. Both assert, for instance, that, if logical, we should go to government ownership of railroads and the like; the reactionaries,

because on such an issue they think the people would stand with them, while the extremists care rather to preach discontent and agitation than to achieve solid results. As a matter of fact, our position is as remote from that of the Bourbon reactionary as from that of the impracticable or sinister visionary. We hold that the Government should not conduct the business of the Nation, but that it should exercise such supervision as will ensure its being conducted in the interest of the Nation. Our aim is, so far as may be, to secure, for all decent, hard working men, equality of opportunity and equality of burden.

The actual working of our laws has shown that the effort to prohibit all combination, good or bad, is noxious where it is not ineffective. Combination of capital, like combination of labor, is a necessary element of our present industrial system. It is not possible completely to prevent it; and if it were possible, such complete prevention would do damage to the body politic. What we need is not vainly to try to prevent all combination, but to secure such rigorous and adequate control and supervision of the combinations as to prevent their injuring the public, or existing in such form as inevitably to threaten injury — for the mere fact that a combination has secured practically complete control of a necessary of life would under any circumstances show that such combination was to be presumed to be adverse to the public interest. It is unfortunate that our present laws should forbid all combinations, instead of sharply discriminating between those combinations which do good and those combinations which do evil.

Rebates, for instance, are as often due to the pressure of big shippers (as was shown in the investigation of the Standard Oil Company and as has been shown since by the investigation of the tobacco and sugar trusts) as to the initiative of big railroads. Often railroads would like to combine for the purpose of preventing a big shipper from maintaining improper advantages at the expense of small shippers and of the general public. Such a combination, instead of being forbidden by law, should be favored. In other words, it should be permitted to railroads to make agreements, provided these agreements were sanctioned by the Interstate Commerce Commission and were published. With these two conditions complied with, it is impossible to see what harm such a combination could do to the public at large. It is a public evil to have on the statute books a law incapable of full enforcement because both judges and juries realize that its full enforcement would destroy the business of the country; for the result is to make decent railroad men violators of the law against their will, and to put a premium on the behavior of the wilful wrong-doers. Such a result in turn tends to throw the decent man and the wilful wrong-doer into close association, and in the end to drag down the former to the latter's level; for the man who becomes a lawbreaker in one way unhappily tends to lose all respect for law and to be willing to break it in many ways. No more scathing condemnation could be visited upon a law than is contained in the words of the Interstate Commerce Commission when, in commenting upon the fact that the numerous joint traffic associations do tech-

nically violate the law, they say: "The decision of the United States Supreme Court in the Trans-Missouri case and the Joint Traffic Association case has produced no practical effect upon the railway operations of the country. Such association, in fact, exist now as they did before these decisions, and with the same general effect. In justice to all parties, we ought probably to add that it is difficult to see how our interstate railways could be operated with due regard to the interest of the shipper and the railway without concerted action of the kind afforded through these associations."

This means that the law as construed by the Supreme Court is such that the business of the country can not be conducted without breaking it. I recommend that you give careful and early consideration to this subject, and if you find the opinion of the Interstate Commerce Commission justified, that you amend the law so as to obviate the evil disclosed.

GRADUATED INHERITANCE AND INCOME TAX

FROM THE MESSAGE OF THE PRESIDENT, READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

THE question of taxation is difficult in any country, but it is especially difficult in ours with its Federal system of government. Some taxes should on every ground be levied in a small district for use in that district. Thus the taxation of real estate is peculiarly one for the immediate

locality in which the real estate is found. Again, there is no more legitimate tax for any State than a tax on the franchises conferred by that State upon street railroads and similar corporations which operate wholly within the State boundaries, sometimes in one and sometimes in several municipalities or other minor divisions of the State. But there are many kinds of taxes which can only be levied by the General Government so as to produce the best results, because, among other reasons, the attempt to impose them in one particular State too often results merely in driving the corporation or individual affected to some other locality or other State. The National Government has long derived its chief revenue from a tariff on imports and from an internal or excise tax. In addition to these there is every reason why, when next our system of taxation is revised, the National Government should impose a graduated inheritance tax, and, if possible, a graduated income tax. The man of great wealth owes a peculiar obligation to the State, because he derives special advantages from the mere existence of government. Not only should he recognize this obligation in the way he leads his daily life and in the way he earns and spends his money, but it should also be recognized by the way in which he pays for the protection the State gives him. On the one hand, it is desirable that he should assume his full and proper share of the burden of taxation; on the other hand, it is quite as necessary that in this kind of taxation, where the men who vote the tax pay but little of it, there should be clear recognition of the danger of inaugurating any such system save in a spirit

of entire justice and moderation. Whenever we, as a people, undertake to remodel our taxation system along the lines suggested, we must make it clear beyond peradventure that our aim is to distribute the burden of supporting the Government more equitably than at present; that we intend to treat rich man and poor man on a basis of absolute equality, and that we regard it as equally fatal to true democracy to do or permit injustice to the one as to do or permit injustice to the other.

I am well aware that such a subject as this needs long and careful study in order that the people may become familiar with what is proposed to be done, may clearly see the necessity of proceeding with wisdom and self-restraint, and may make up their minds just how far they are willing to go in the matter; while only trained legislators can work out the project in necessary detail. But I feel that in the near future our national legislators should enact a law providing for a graduated inheritance tax by which a steadily increasing rate of duty should be put upon all moneys or other valuables coming by gift, bequest, or devise to any individual or corporation. It may be well to make the tax heavy in proportion as the individual benefited is remote of kin. In any event, in my judgment the pro rata of the tax should increase very heavily with the increase of the amount left to any one individual after a certain point has been reached. It is most desirable to encourage thrift and ambition, and a potent source of thrift and ambition is the desire on the part of the breadwinner to leave his children well off. This object can be attained by making

the tax very small on moderate amounts of property left; because the prime object should be to put a constantly increasing burden on the inheritance of those swollen fortunes which it is certainly of no benefit to this country to perpetuate.

There can be no question of the ethical propriety of the Government thus determining the conditions upon which any gift or inheritance should be received. Exactly how far the inheritance tax would, as an incident, have the effect of limiting the transmission by devise or gift of the enormous fortunes in question it is not necessary at present to discuss. It is wise that progress in this direction should be gradual. At first a permanent national inheritance tax, while it might be more substantial than any such tax has hitherto been, need not approximate, either in amount or in the extent of the increase by graduation, to what such a tax should ultimately be.

This species of tax has again and again been imposed, although only temporarily, by the National Government. It was first imposed by the act of July 6, 1797, when the makers of the Constitution were alive and at the head of affairs. It was a graduated tax; though small in amount, the rate was increased with the amount left to any individual, exceptions being made in the case of certain close kin. A similar tax was again imposed by the act of July 1, 1862; a minimum sum of one thousand dollars in personal property being excepted from taxation, the tax then becoming progressive according to the remoteness of kin. The war-revenue act of June 13, 1898, provided for an inheritance tax on

any sum exceeding the value of ten thousand dollars, the rate of the tax increasing both in accordance with the amounts left and in accordance with the legatee's remoteness of kin. The Supreme Court has held that the succession tax imposed at the time of the Civil War was not a direct tax but an impost or excise which was both constitutional and valid. More recently the Court, in an opinion delivered by Mr. Justice White, which contained an exceedingly able and elaborate discussion of the powers of the Congress to impose death duties, sustained the constitutionality of the inheritance-tax feature of the war-revenue act of 1898.

In its incidents, and apart from the main purpose of raising revenue, an income tax stands on an entirely different footing from an inheritance tax; because it involves no question of the perpetuation of fortunes swollen to an unhealthy size. The question is in its essence a question of the proper adjustment of burdens to benefits. As the law now stands it is undoubtedly difficult to devise a national income tax which shall be constitutional. But whether it is absolutely impossible is another question; and if possible it is most certainly desirable. The first purely income tax law was passed by the Congress in 1861, but the most important law dealing with the subject was that of 1894. This the court held to be unconstitutional.

The question is undoubtedly very intricate, delicate, and troublesome. The decision of the court was only reached by one majority. It is the law of the land, and of course is accepted as such and loyally obeyed by all good citizens. Nevertheless, the hesitation evidently felt by the

court as a whole in coming to a conclusion, when considered together with the previous decisions on the subject, may perhaps indicate the possibility of devising a constitutional income tax law which shall substantially accomplish the results aimed at. The difficulty of amending the Constitution is so great that only real necessity can justify a resort thereto. Every effort should be made in dealing with this subject, as with the subject of the proper control by the National Government over the use of corporate wealth in interstate business to devise legislation which without such action shall attain the desired end; but if this fails, there will ultimately be no alternative to a constitutional amendment.

INDUSTRIAL AND COMMERCIAL SCHOOLS

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906.

It would be impossible to overstate (though it is of course difficult quantitatively to measure) the effect upon a nation's growth to greatness, of what may be called organized patriotism, which necessarily includes the substitution of a national feeling for mere local pride; with as a resultant a high ambition for the whole country. No country can develop its full strength so long as the parts which make up the whole each put a feeling of loyalty to the part above the feeling of loyalty to the whole. This is true of sections and it is as true of classes. The industrial and agricultural classes must work together, capi-

talists and wage-workers must work together, if the best work of which the country is capable is to be done. It is probable that a thoroughly efficient system of education comes next to the influence of patriotism in bringing about national success of this kind. Our federal form of government, so fruitful of advantage to our people in certain ways, in other ways undoubtedly limits our national effectiveness. It is not possible, for instance, for the National Government to take the lead in technical industrial education, to see that the public school system of this country develops on all its technical, industrial, scientific, and commercial sides. This must be left primarily to the several States. Nevertheless, the National Government has control of the schools of the District of Columbia, and it should see that these schools promote and encourage the fullest development of the scholars in both commercial and industrial training. The commercial training should in one of its branches deal with foreign trade. The industrial training is even more important. It should be one of our prime objects as a Nation, so far as feasible, constantly to work toward putting the mechanic, the wage-worker who works with his hands, on a higher plane of efficiency and reward, so as to increase his effectiveness in the economic world, and the dignity, the remuneration, and the power of his position in the social world. Unfortunately, at present the effect of some of the work in the public schools is in the exactly opposite direction. If boys and girls are trained merely in literary accomplishments, to the total exclusion of industrial, manual, and technical training, the tendency is to unfit them for industrial work

and to make them reluctant to go into it, or unfitted to do well if they do go into it. This is a tendency which should be strenuously combated. Our industrial development depends largely upon technical education, including in this term all industrial education, from that which fits a man to be a good mechanic, a good carpenter, or blacksmith, to that which fits a man to do the greatest engineering feat. The skilled mechanic, the skilled workman, can best become such by technical industrial education. The far-reaching usefulness of institutes of technology and schools of mines or of engineering, is now universally acknowledged, and no less far-reaching is the effect of a good building or mechanical trades school, a textile, or watchmaking, or engraving school. All such training must develop not only manual dexterity but industrial intelligence. In international rivalry this country does not have to fear the competition of pauper labor as much as it has to fear the educated labor of specially trained competitors; and we should have the education of the hand, eye, and brain which will fit us to meet such competition.

In every possible way we should help the wage-worker who toils with his hands and who must (we hope in a constantly increasing measure) also toil with his brain. Under the Constitution the National Legislature can do but little of direct importance for his welfare save where he is engaged in work which permits it to act under the interstate commerce clause of the Constitution; and this is one reason why I so earnestly hope that both the legislative and judicial branches of the Government will construe this clause of the Constitution in the broadest possi-

ble manner. We can, however, in such a matter as industrial training, in such a matter as child labor and factory laws, set an example to the States by enacting the most advanced legislation that can wisely be enacted for the District of Columbia.

THE FEDERAL GOVERNMENT AND THE FARMER

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

THE only other persons whose welfare is as vital to the welfare of the whole country as is the welfare of the wage-workers are the tillers of the soil, the farmers. It is a mere truism to say that no growth of great cities, no growth of wealth, no industrial development can atone for any falling off in the character and standing of the farming population. During the last few decades this fact has been recognized with ever-increasing clearness. There is no longer any failure to realize that farming, at least in certain branches, must become a technical and scientific profession. This means that there must be open to farmers the chance for technical and scientific training, not theoretical merely but of the most severely practical type. The farmer represents a peculiarly high type of American citizenship, and he must have the same chance to rise and develop as other American citizens have. Moreover, it is exactly as true of the farmer, as it is of the business man and the wage-worker, that the ultimate success of the Nation of which he

forms a part must be founded not alone on material prosperity but upon high moral, mental, and physical development. This education of the farmer — self-education by preference, but also education from the outside, as with all other men — is peculiarly necessary here in the United States, where the frontier conditions even in the newest States have now nearly vanished, where there must be a substitution of a more intensive system of cultivation for the old wasteful farm management, and where there must be better business organization among the farmers themselves.

Several factors must co-operate in the improvement of the farmer's condition. He must have the chance to be educated in the widest possible sense — in the sense which keeps ever in view the intimate relationship between the theory of education and the facts of life. In all education we should widen our aims. It is a good thing to produce a certain number of trained scholars and students; but the education superintended by the State must seek rather to produce a hundred good citizens than merely one scholar, and it must be turned now and then from the class book to the study of the great book of nature itself. This is especially true of the farmer, as has been pointed out again and again by all observers most competent to pass practical judgment on the problems of our country life. All students now realize that education must seek to train the executive powers of young people and to confer more real significance upon the phrase "dignity of labor," and to prepare the pupils so that in addition to each developing in the highest degree his individual capacity for work, they may

together help create a right public opinion, and show in many ways social and co-operative spirit. Organization has become necessary in the business world; and it has accomplished much for good in the world of labor. It is no less necessary for farmers. Such a movement as the grange movement is good in itself and is capable of a well-nigh infinite further extension for good so long as it is kept to its own legitimate business. The benefits to be derived by the association of farmers for mutual advantage are partly economic and partly sociological.

Moreover, while in the long run voluntary effort will prove more efficacious than government assistance, while the farmers must primarily do most for themselves, yet the Government can also do much. The Department of Agriculture has broken new ground in many directions, and year by year it finds how it can improve its methods and develop fresh usefulness. Its constant effort is to give the governmental assistance in the most effective way; that is, through associations of farmers rather than to or through individual farmers. It is also striving to co-ordinate its work with the agricultural departments of the several States, and so far as its own work is educational, to co-ordinate it with the work of other educational authorities. Agricultural education is necessarily based upon general education, but our agricultural educational institutions are wisely specializing themselves, making their courses relate to the actual teaching of the agricultural and kindred sciences to young country people or young city people who wish to live in the country.

Great progress has already been made among

farmers by the creation of farmers' institutes, of dairy associations, of breeders' associations, horticultural associations, and the like. A striking example of how the Government and the farmers can co-operate is shown in connection with the menace offered to the cotton growers of the Southern States by the advance of the boll weevil. The Department is doing all it can to organize the farmers in the threatened districts, just as it has been doing all it can to organize them in aid of its work to eradicate the cattle fever tick in the South. The Department can and will co-operate with all such associations, and it must have their help if its own work is to be done in the most efficient style.

Much is now being done for the States of the Rocky Mountains and Great Plains through the development of the national policy of irrigation and forest preservation; no Government policy for the betterment of our internal conditions has been more fruitful of good than this. The forests of the White Mountains and Southern Appalachian regions should also be preserved; and they can not be unless the people of the States in which they lie, through their representatives in the Congress, secure vigorous action by the National Government.

NEED OF REVISION OF THE CURRENCY LAWS

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE SECOND SESSION OF THE FIFTY-NINTH CONGRESS, DECEMBER 3, 1906

I ESPECIALLY call your attention to the second subject, the condition of our currency laws. The national bank act has ably served a great purpose in aiding the enormous business development of the country; and within ten years there has been an increase in circulation per capita from $21.41 to $33.08. For several years evidence has been accumulating that additional legislation is needed. The recurrence of each crop season emphasizes the defects of the present laws. There must soon be a revision of them, because to leave them as they are means to incur liability of business disaster. Since your body adjourned there has been a fluctuation in the interest on call money from 2 per cent. to 30 per cent.; and the fluctuation was even greater during the preceding six months. The Secretary of the Treasury had to step in and by wise action put a stop to the most violent period of oscillation. Even worse than such fluctuation is the advance in commercial rates and the uncertainty felt in the sufficiency of credit even at high rates. All commercial interests suffer during each crop period. Excessive rates for call money in New York attract money from the interior banks into the speculative field; this depletes the fund that would otherwise be available for commercial uses, and commercial borrowers are forced to pay

abnormal rates; so that each fall a tax, in the shape of increased interest charges, is placed on the whole commerce of the country.

The mere statement of these facts shows that our present system is seriously defective. There is need of a change. Unfortunately, however, many of the proposed changes must be ruled from consideration because they are complicated, are not easy of comprehension, and tend to disturb existing rights and interests. We must also rule out any plan which would materially impair the value of the United States 2 per cent bonds now pledged to secure circulation, the issue of which was made under conditions peculiarly creditable to the Treasury. I do not press any especial plan. Various plans have recently been proposed by expert committees of bankers. Among the plans which are possibly feasible and which certainly should receive your consideration is that repeatedly brought to your attention by the present Secretary of the Treasury, the essential features of which have been approved by many prominent bankers and business men. According to this plan national banks should be permitted to issue a specified proportion of their capital in notes of a given kind, the issue to be taxed at so high a rate as to drive the notes back when not wanted in legitimate trade. This plan would not permit the issue of currency to give banks additional profits, but to meet the emergency presented by times of stringency.

I do not say that this is the right system. I only advance it to emphasize my belief that there is need for the adoption of some system which shall be automatic and open to all sound banks, so as to avoid all possibility of discrimination and

favoritism. Such a plan would tend to prevent the spasms of high money and speculation which now obtain in the New York market; for at present there is too much currency at certain seasons of the year, and its accumulation at New York tempts bankers to lend it at low rates for speculative purposes; whereas at other times when the crops are being moved there is urgent need for a large but temporary increase in the currency supply. It must never be forgotten that this question concerns business men generally quite as much as bankers; especially is this true of stockmen, farmers, and business men in the West; for at present at certain seasons of the year the difference in interest rates between the East and the West is from 6 to 10 per cent, whereas in Canada the corresponding difference is but 2 per cent. Any plan must, of course, guard the interests of western and southern bankers as carefully as it guards the interests of New York or Chicago bankers; and must be drawn from the standpoints of the farmer and the merchant no less than from the standpoints of the city banker and the country banker.

The law should be amended so as specifically to provide that the funds derived from customs duties may be treated by the Secretary of the Treasury as he treats funds obtained under the internal-revenue laws. There should be a considerable increase in bills of small denominations. Permission should be given banks, if necessary under settled restrictions, to retire their circulation to a larger amount than three millions a month.

TEAM WORK IN POLITICAL REFORM

FROM AN ADDRESS DELIVERED BEFORE THE HARVARD UNION, FEBRUARY 23, 1907

LET each of you college men remember in after life that in the fundamentals he is very much like his fellows who have not been to college, and that if he is to achieve results, instead of confining himself exclusively to disparagement of other men who have achieved them, he must manage to come to some kind of working agreement with these fellows of his. There are times, of course, when it may be the highest duty of a citizen to stand alone, or practically alone. But if this is a man's normal attitude — if normally he is unable to work in combination with a considerable body of his fellows — it is safe to set him down as unfit for useful service in a democracy. In popular government results worth having can only be achieved by men who combine worthy ideals with practical good sense; who are resolute to accomplish good purposes, but who can accommodate themselves to the give and take necessary where work has to be done, as almost all important work has to be done, by combination. Moreover, remember that normally the prime object of political life should be to achieve results and not merely to issue manifestoes — save, of course, where the issuance of such manifestoes helps to achieve the results. It is a very bad thing to be morally callous, for moral callousness is disease. But inflammation of the conscience may be just as unhealthy so far as the public is concerned; and if a man's conscience

is always telling him to do something foolish he will do well to mistrust its workings. The religious man who is most useful is not he whose sole care is to save his own soul, but the man whose religion bids him strive to advance decency and clean living and to make the world a better place for his fellows to live in; and all this is just as true of the ordinary citizen in the performance of the ordinary duties of political life. . . .

So it is with the great questions which group themselves round the control of corporations in the interest of the public. There has been a curious revival of the doctrine of State rights in connection with these questions, by the people who know that the States can not with justice to both sides practically control the corporations, and who therefore advocate such control because they do not venture to express their real wish, which is that there shall be no control at all. Honest and fair dealing railway corporations will gain and not lose by adequate Federal control; most emphatically, it is both the duty and the interest of our people to deal fairly with such corporations, and to see that a premium is put upon the honest management of them, and that those who invest in them are amply protected. But those who invoke the doctrine of State rights to protect State corporate creations in predatory activities extended through other States are as short-sighted as those who once invoked the same doctrine to protect the special slaveholding interest. The States have shown that they have not the ability to curb the power of syndicated wealth, and, therefore, in the interest of the people, it must be done by National action. Our present warfare is against special privilege. The

men — many of them, I am sorry to say, college men — who are prompt to speak against every practical means which can be devised for achieving the object we have in view — the proper and adequate supervision by the Federal Government of the great corporations doing an interstate business — are, nevertheless, themselves powerless to so much as outline any plan of constructive statesmanship which shall give relief. I have watched for six years these men, both those in public and those in private life, and though they are prompt to criticise every affirmative step taken, I have yet to see one of them lift a finger to remedy the wrongs that exist. So it is in every field of public activity. States' rights should be preserved when they mean the people's rights, but not when they mean the people's wrongs; not, for instance, when they are invoked to prevent the abolition of child labor, or to break the force of the laws which prohibit the importation of contract labor to this country; in short, not when they stand for wrong or oppression of any kind or for national weakness or impotence at home or abroad. It is to the men who work in practical fashion with their fellows, and not to those who, whether because they are impractical or incapable, can not thus work, that we owe what success we have had in dealing with every problem which we have either solved or started on the path of solution during the last decade.

"UNDESIRABLE CITIZENS"

LETTER WRITTEN APRIL 22, 1907, TO HONORE JAXON, CHAIRMAN OF A LABOR ORGANIZATION IN CHICAGO, IN RESPONSE TO HIS PROTEST AGAINST THE LANGUAGE USED BY MR. ROOSEVELT IN ONE OF HIS LETTERS TO MR. HARRIMAN (P. 437), IN WHICH REFERENCE IS MADE TO MESSRS. MOYER AND HAYWOOD, OF THE WESTERN FEDERATION OF MINERS, AS "UNDESIRABLE CITIZENS," THE TWO MEN BEING THEN UNDER INDICTMENT FOR THE MURDER OF EX-GOVERNOR STEUNENBERG OF IDAHO.

DEAR SIR:

I have received your letter of the 19th instant, in which you enclose the draft of the formal letter which is to follow. I have been notified that several delegations, bearing similar requests, are on the way hither. In the letter you, on behalf of the Cook County Moyer-Haywood conference, protest against certain language I used in a recent letter * which you assert to be designed to influence the course of justice in the case of the trial for murder of Messrs. Moyer and Haywood. I entirely agree with you that it is improper to endeavor to influence the course of justice, whether by threats or in any similar manner. For this reason I have regretted most deeply the action of such organizations as your own in undertaking to accomplish this very result in the very case of which you speak. For instance, your letter is headed

* See Roosevelt-Harriman correspondence, p. 437.

"Cook County Moyer-Haywood-Pettibone Conference," with the headlines: "*Death* — can not — will not — and shall not claim our brothers!" This shows that you and your associates are not demanding a fair trial, or working for a fair trial, but are announcing in advance that the verdict shall only be one way and that you will not tolerate any other verdict. Such action is flagrant in its impropriety, and I join heartily in condemning it.

But it is a simple absurdity to suppose that because any man is on trial for a given offence he is therefore to be freed from all criticism upon his general conduct and manner of life. In my letter to which you object, I referred to a certain prominent financier, Mr. Harriman, on the one hand, and to Messrs. Moyer, Haywood, and Debs on the other, as being equally undesirable citizens. It is as foolish to assert that this was designed to influence the trial of Moyer and Haywood as to assert that it was designed to influence the suits that have been brought against Mr. Harriman. I neither expressed nor indicated any opinion as to whether Messrs. Moyer and Haywood were guilty of the murder of Governor Steunenberg. If they are guilty they certainly ought to be punished. If they are not guilty they certainly ought not to be punished. But no possible outcome either of the trial or the suits can affect my judgment as to the undesirability of the type of citizenship of those whom I mentioned. Messrs. Moyer, Haywood, and Debs stand as representatives of those men who have done as much to discredit the labor movement as the worst speculative financiers or most unscrupulous employers of labor and de-

bauchers of legislatures have done to discredit honest capitalists and fair-dealing business men. They stand as the representatives of those men who by their public utterances and manifestoes, by the utterances of the papers they control or inspire, and by the words and deeds of those associated with or subordinated to them, habitually appear as guilty of incitement to or apology for bloodshed and violence. If this does not constitute undesirable citizenship, then there can never be any undesirable citizens. The men whom I denounce represent the men who have abandoned that legitimate movement for the uplifting of labor, with which I have the most hearty sympathy; they have adopted practices which cut them off from those who lead this legitimate movement. In every way I shall support the law-abiding and upright representatives of labor; and in no way can I better support them than by drawing the sharpest possible line between them on the one hand, and, on the other hand, those preachers of violence who are themselves the worst foes of the honest laboring man.

Let me repeat my deep regret that any body of men should so far forget their duty to the country as to endeavor by the formation of societies and in other ways to influence the course of justice in this matter. I have received many such letters as yours. Accompanying them were newspaper clippings announcing demonstrations, parades, and mass-meetings designed to show that the representatives of labor, without regard to the facts, demand the acquittal of Messrs. Haywood and Moyer. Such meetings can, of course, be designed only to coerce court

or jury in rendering a verdict, and they therefore deserve all the condemnation which you in your letters say should be awarded to those who endeavor improperly to influence the course of justice.

You would, of course, be entirely within your rights if you merely announced that you thought Messrs. Moyer and Haywood were "desirable citizens"— though in such case I should take frank issue with you and should say that, wholly without regard to whether or not they were guilty of the crime for which they are now being tried, they represent as thoroughly undesirable a type of citizenship as can be found in this country; a type which, in the letter to which you so unreasonably take exception, I showed not to be confined to any one class, but to exist among some representatives of great capitalists as well as among some representatives of wage-workers. In that letter I condemned both types. Certain representatives of the great capitalists in turn condemned me for including Mr. Harriman in my condemnation of Messrs. Moyer and Haywood. Certain of the representatives of labor in their turn condemned me because I included Messrs. Moyer and Haywood as undesirable citizens together with Mr. Harriman. I am as profoundly indifferent to the condemnation in one case as in the other. I challenge as a right the support of all good Americans, whether wage-workers or capitalists, whatever their occupation or creed, or in whatever portion of the country they live, when I condemn both the types of bad citizenship which I have held up to reprobation. It seems to me a mark of utter insincerity to fail thus to condemn both; and

to apologize for either robs the man thus apologizing of all right to condemn any wrong-doing in any man, rich or poor, in public or in private life.

You say you ask for a "square deal" for Messrs. Moyer and Haywood. So do I. When I say "square deal," I mean a square deal to every one; it is equally a violation of the policy of the square deal for a capitalist to protest against denunciation of a capitalist who is guilty of wrong-doing and for a labor leader to protest against the denunciation of a labor leader who has been guilty of wrong-doing. I stand for equal justice to both; and so far as in my power lies I shall uphold justice, whether the man accused of guilt has behind him the wealthiest corporations, the greatest aggregations of riches in the country, or whether he has behind him the most influential labor organizations in the country.

Very truly yours,

THEODORE ROOSEVELT.

EQUITY THE KEYNOTE OF INDUSTRIAL REFORM

FROM AN ADDRESS DELIVERED AT THE OPENING OF THE JAMESTOWN EXPOSITION, APRIL 26, 1907

WE can not afford to forget the maximum upon which Washington insisted, that the surest way to avert war is to be prepared to meet it. Nevertheless, the duties that most concern us of this generation are not military, but social and industrial. Each community must always dread the evils which spring up as attendant upon the very qualities which give it success. We of this

mighty western Republic have to grapple with the dangers that spring from popular self-government tried on a scale incomparably vaster than ever before in the history of mankind, and from an abounding material prosperity greater also than anything which the world has hitherto seen.

As regards the first set of dangers, it behooves us to remember that men can never escape being governed. Either they must govern themselves or they must submit to being governed by others. If from lawlessness or fickleness, from folly or self-indulgence, they refuse to govern themselves, then most assuredly in the end they will have to be governed from the outside. They can prevent the need of government from without only by showing that they possess the power of government from within. A sovereign can not make excuses for his failures; a sovereign must accept the responsibility for the exercise of the power that inheres in him; and where, as is true in our Republic, the people are sovereign, then the people must show a sober understanding and a sane and steadfast purpose if they are to preserve that orderly liberty upon which as a foundation every republic must rest.

In industrial matters our enormous prosperity has brought with it certain grave evils. It is our duty to try to cut out these evils without at the same time destroying our well-being itself. This is an era of combination alike in the world of capital and in the world of labor. Each kind of combination can do good, and yet each, however powerful, must be opposed when it does ill. At the moment the greatest problem before us is how to exercise such control over the business

use of vast wealth, individual, but especially corporate, as will ensure its not being used against the interest of the public, while yet permitting such ample legitimate profits as will encourage individual initiative. It is our business to put a stop to abuses and to prevent their recurrence, without showing a spirit of mere vindictiveness for what has been done in the past. In John Morley's brilliant sketch of Burke he lays especial stress upon the fact that Burke more than almost any other thinker or politician of his time realized the profound lesson that in politics we are concerned not with barren rights but with duties; not with abstract truth, but with practical morality. He especially eulogizes the way in which in his efforts for economic reform, Burke combined unshakable resolution in pressing the reform with a profound temperateness of spirit which made him, while bent on the extirpation of the evil system, refuse to cherish an unreasoning and vindictive ill-will toward the men who had benefited by it. Said Burke: "If I can not reform with equity, I will not reform at all. . . . (There is) a state to preserve as well as a state to reform."

This is the exact spirit in which this country should move to the reform of abuses of corporate wealth. The wrong-doer, the man who swindles and cheats, whether on a big scale or a little one, shall receive at our hands mercy as scant as if he committed crimes of violence or brutality. We are unalterably determined to prevent wrong-doing in the future; we have no intention of trying to wreak such an indiscriminate vengeance for wrongs done in the past as would confound the innocent with the guilty. Our purpose is to

build up rather than to tear down. We show ourselves the truest friends of property when we make it evident that we will not tolerate the abuses of property. We are steadily bent on preserving the institution of private property; we combat every tendency toward reducing the people to economic servitude; and we care not whether the tendency is due to a sinister agitation directed against all property, or whether it is due to the actions of those members of the predatory classes whose anti-social power is immeasurably increased because of the very fact that they possess wealth.

Above all, we insist that while facing changed conditions and new problems, we must face them in the spirit which our forefathers showed when they founded and preserved this Republic. The corner-stone of the Republic lies in our treating each man on his worth as a man, paying no heed to his creed, his birthplace, or his occupation, asking not whether he is rich or poor, whether he labors with head or hand; asking only whether he acts decently and honorably in the various relations of his life, whether he behaves well to his family, to his neighbors, to the state. We base our regard for each man on the essentials and not the accidents. We judge him not by his profession, but by his deeds; by his conduct, not by what he has acquired of this world's goods. Other republics have fallen, because the citizens gradually grew to consider the interests of a class before the interests of the whole; for when such was the case it mattered little whether it was the poor who plundered the rich or the rich who exploited the poor; in either event the end of the Republic was at hand. We are resolute in

our purpose not to fall into such a pit. This great Republic of ours shall never become the government of a plutocracy, and it shall never become the government of a mob. God willing, it shall remain what our fathers who founded it meant it to be — a government in which each man stands on his worth as a man, where each is given the largest personal liberty consistent with securing the well-being of the whole, and where, so far as in us lies, we strive continually to secure for each man such equality of opportunity that in the strife of life he may have a fair chance to show the stuff that is in him. We are proud of our schools and of the trained intelligence they give our children the opportunity to acquire. But what we care for most is the character of the average man; for we believe that if the average of character in the individual citizen is sufficiently high, if he possesses those qualities which make him worthy of respect in his family life and in his work outside, as well as the qualities which fit him for success in the hard struggle of actual existence — that if such is the character of our individual citizenship, there is literally no height of triumph unattainable in this vast experiment of government by, of, and for a free people.

THE TWOFOLD TEST OF A FORTUNE

FROM AN ADDRESS DELIVERED IN WASHINGTON, D. C., AT THE UNVEILING OF A STATUE TO MAJOR-GENERAL GEORGE B. MC CLELLAN, MAY 2, 1907

If there is one thing which we should wish as a Nation to avoid, it is the teaching of those who

would re-enforce the lower promptings of our hearts, and so teach us to seek only a life of effortless ease, of mere material comfort. The material development of this country, of which we have a right to be proud provided that we keep our pride rational and within measure, brings with it certain great dangers, and one of those dangers is the confounding of means and ends. Material development means nothing to a nation as an end in itself. If America is to stand simply for the accumulation of what tells for comfort and luxury, then it will stand for little indeed when looked at through the vistas of the ages. America will stand for much provided only that it treats material comfort, material luxury, and the means for acquiring such, as the foundation on which to build the real life, the life of spiritual and moral effort and achievement. The rich man who has done nothing but accumulate riches is entitled to but the scantiest consideration; to men of real power of discernment he is an object rather of contempt than of envy. The test of a fortune should be twofold — how it was earned and how it is spent.

It is with the nation as it is with the individual. Looking back through history the nation that we respect is invariably the nation that struggled, the nation that strove toward a high ideal, the nation that recognized in an obstacle something to be overcome and not something to be shirked. The nation is but the aggregate of the individuals, and what is true of national life is and must be true of each of us in his individual life. The man renders but a poor service to nation or to individual who preaches rest, ease, absence of endeavor, as what that nation or that individual should strive after.

THE MOYER-HAYWOOD TRIAL

LETTER WRITTEN FROM THE WHITE HOUSE, MAY 2, 1907, TO MR. JOHN S. HENRY, OF NEW YORK CITY

My dear Mr. Henry:

When you, in company with Messrs. Coakley and Brown, called upon me this morning, I read you the letter I had written to the Attorney-General on March 25, 1906. At your request I gladly send you the following extract from that letter:

"[Our duty is] if it should ever happen that we have any power in the matter, to see that exact justice is done these men. There must be no condonation of lawlessness on our part, even if the lawlessness takes the form of an effort to avenge the wrongs committed by the lawlessness of others. The sole question as regards Haywood and Moyer must be the question whether or not they can be shown to be guilty of this particular act, and their legal rights must be as carefully safeguarded as those of any other men. It is alleged that they were extradited from Colorado in a manner that amounted to a betrayal of their legal rights. I should like to have the District Attorney of Colorado, and if necessary the District Attorney of Idaho, give me such information as they can on this point. I should like to get from the District Attorney of Idaho any information that he can obtain as to whether or not there has been the slightest disposition shown by the authorities in Idaho to act toward these men in an unfair or improper manner, or

to deny them their legal rights. On the other hand, I should like to know whether there is any symptom of a miscarriage of justice in their favor. . . . The intemperate violence with which socialistic or labor papers like that of Debs, and I am sorry to say some labor organizations, have insisted without any knowledge of the facts upon treating these men as martyrs to the cause of labor, has unquestionably resulted in tremendous pressure being brought to bear upon the authorities of Idaho to discharge or acquit them whether guilty or innocent. . . . So far as the unions are anxious only to see that exact justice is done these men, that they are given their full legal rights and not condemned unless proved guilty of this specific act, they are entitled to the cordial co-operation of all just and fair-minded citizens. So far as by any action, or by murderous and treasonable language such as that quoted above from Debs (and others), they tend to bring pressure to bear upon the State authorities and the courts, to obstruct the course of justice, and to render it difficult to convict the men if guilty, they are equally without stint to be condemned; and anything that the Federal authorities can do, in either event, to further the cause of justice is to be done."

In response to your question it is, I trust, needless for me to say that if at any time you or any one else can submit to me any evidence showing that there has been a miscarriage of justice for or against Messrs. Moyer or Haywood, which you believe it is in my power to remedy, I will at once bring such evidence to the attention of the Attorney-General to have him give it the fullest consideration and to take thereon such

action, if any, as it may be in the power of the Federal authorities to take.

Sincerely yours,

THEODORE ROOSEVELT.

REGULATING THE RAILWAYS BY LAW

FROM AN ADDRESS DELIVERED IN INDIANAPOLIS, INDIANA, ON MEMORIAL DAY, MAY 30, 1907.

THE men of the generation which fought the Civil War had their great tasks to perform. They met them as strong men should have met them. They did them, and we, their children, profit by their mighty deeds. But no generation can ever plead the great deeds of its predecessors as an excuse for failing to perform its own duties. Our duties are those of peace and not of war. Nevertheless they are of the utmost importance; of importance to ourselves, and of still greater importance to the children who in a few years will take our places as the men and women of this Republic. If we wish to show ourselves worthy heirs of the men of the Civil War, we must do our tasks with the thoroughness with which they did theirs.

Great social and industrial problems confront us, and their solution demands on our part unfaltering courage, and yet a wise, good-natured self-restraint; so that on the one hand we shall neither be daunted by difficulties nor fooled by those who would seek to persuade us that the difficulties are insuperable; while on the other hand we are not misled into showing either rashness or vindictiveness. Let us try as a people to show the same qualities as we deal with the

industrial and social problems of to-day that Abraham Lincoln showed when with indomitable resolution, but with a kindliness, patience and common sense quite as remarkable, he faced four weary years of open war in front, of calumny, detraction, and intrigue from behind, and at the end gave to his countrymen whom he had served so well the blood-bought gift of a race freed and a nation forever united.

One great problem that we have before us is to preserve the rights of property; and these can only be preserved if we remember that they are in less jeopardy from the socialist and the anarchist than from the predatory man of wealth. It has become evident that to refuse to invoke the power of the Nation to restrain the wrongs committed by the man of great wealth who does evil is not only to neglect the interests of the public, but is to neglect the interests of the man of means who acts honorably by his fellows. The power of the Nation must be exerted to stop crimes of cunning no less than crimes of violence. There can be no halt in the course we have deliberately elected to pursue, the policy of asserting the right of the Nation, so far as it has the power, to supervise and control the business use of wealth, especially in its corporate form. To-day I wish to say a word to you about the first and most important feature of this task, the control of the common carriers doing an interstate business; a control absolutely vested in the Nation, while in so far as the common carriers also transport the mails, it is in my opinion probable that whether their business is or is not interstate, it is to the same extent subject to Federal control, under that clause of the Constitution grant-

ing to the National Government power to establish post roads, and therefore by necessary implication power to take all action necessary in order to keep them at the highest point of efficiency.

Every Federal law dealing with corporations or with railroads that has been put upon the statute books during the last six years has been a step in advance in the right direction. All action taken by the Administration under these and the pre-existing laws has been just and proper. Every suit undertaken during that period has been a suit not merely warranted, but required, by the facts; a suit in the interest of the people as a whole, and, in the long run, particularly in the interest of stockholders as well as in the interest of business men of property generally. There can be no swerving from the course that has thus been mapped out in the legislation actually enacted and in the messages in which I have asked for further legislation. We best serve the interests of the honest railway men when we announce that we will follow out precisely this course. It is the course of real, of ultimate conservatism. There will be no halt in the forward movement toward a full development of this policy; and those who wish us to take a step backward or to stand still, if their wishes were realized, would find that they had invited an outbreak of the very radicalism they fear. There must be progressive legislative and administrative action for the correction of the evils which every sincere man must admit to have existed in railroad management in the past.

Such additional legislation as that for which I have asked in the past, and especially that for

which I asked in my message at the opening of the last session of Congress, is not merely in the interest of the public, but most emphatically in the interest of every honest railway manager and of all investors or would-be investors in railway securities. There must be vested in the Federal Government a full power of supervision and control over the railways doing interstate business; a power in many respects analogous to and as complete as that the Government exercises over the national banks. It must possess the power to exercise supervision over the future issuance of stocks and bonds, either through a national incorporation (which I should prefer) or in some similar fashion, such supervision to include the frank publicity of everything which would-be investors and the public at large have a right to know. The Federal Government will thus be able to prevent all over-capitalization in the future; to prevent any man hereafter from plundering others by loading railway properties with obligations and pocketing the money instead of spending it in improvements and in legitimate corporate purposes; and any man acting in such fashion should be held to a criminal accountability. It should be declared contrary to public policy henceforth to allow railroads to devote their capital to anything but the transportation business, certainly not to the hazards of speculation. For the very reason that we desire to favor the honest railroad manager, we should seek to discourage the activities of the man whose only concern with railroads is to manipulate their stocks. The business of railroad organization and management should be kept entirely distinct from investment or brokerage business especially

of the speculative type, and the credit and property of the corporation should be devoted to the extension and betterment of its railroads, and to the development of the country naturally tributary to the lines. These principles are fundamental. Railroads should not be prohibited from acquiring connecting lines, by acquiring stocks, bonds, or other securities of such lines; but it is already well settled as contrary to public policy to allow railroads to acquire control over parallel and competing lines of transportation. Subject to first giving to the Government the power of supervision and control which I have advocated above, the law should be amended so that railroads may be permitted and encouraged to make traffic agreements when these are in the interest of the general public as well as of the railroad corporations making them. These agreements should of course be made public in the minutest detail, and should be subject to securing the previous assent of the Interstate Commerce Commission.

The movement to regulate railways by law has come to stay. The people of this country have made up their minds — and wisely made up their minds — to exercise a closer control over all kinds of public-service corporations, including railways. Every honestly managed railway will gain and not lose by the policy. The men more anxious to manipulate stocks than to make the management of their roads efficient and honest are the only ones who have cause to oppose it.

We who believe in steady and healthy progress stand unalterably for the new era of the widest publicity, and of fair dealing on the part of railroads with stockholders, passengers, and ship-

pers. We ask the consent of no man in carrying out this policy; but we gladly welcome the aid of every man in perfecting the law in its details, and in securing its enactment and the faithful observance of its wise provisions. We seek nothing revolutionary. We ask for such laws as in their essence now obtain in the staid old Commonwealth of Massachusetts; such laws as now obtain in England. The purpose of those of us who so resolutely believe in the new policy, in its thorough carrying out, and in its progressive development, is in no sense punitive or vindictive. We would be the first to protest against any form of confiscation of property, and whether we protested or not, I may add that the Supreme Court could be trusted in any event to see that there should be nothing done under the guise of regulating roads to destroy property without just compensation or without due process of law. As a matter of course, we shall punish any criminal whom we can convict under the law; but we have no intention of confounding the innocent many and the guilty few by any ill-judged and sweeping scheme of vengeance. Our aim is primarily to prevent these abuses in the future. Wherever evil-doers can be, they shall be, brought to justice; and no criminal, high or low, whom we can reach will receive immunity. But the rights of innocent investors should not be jeoparded by legislation or executive action; we sanction no legislation which would fall heavily on them, instead of on the original wrong-doers or beneficiaries of the wrong.

There must be no such rigid laws as will prevent the development of the country, and such development can only be had if investors are

offered an ample reward for the risk they take. We would be the first to oppose any unreasonable restrictions being placed upon the issuance of stocks and bonds, for such would simply hamper the growth of the United States; for a railroad must ultimately stand on its credit. But this does not prevent our demanding that there be lodged in the Government power to exercise a jealous care against the inflation of securities, and all the evils that come in its train. The man who builds a great railway and those who invest in it render a great public service; for adequate transportation facilities are a vital necessity to the country. We favor full and ample return to such men; but we do not favor a policy of exploiting the many for the benefit of the few. We favor the railway man who operates his railway upon a straightforward and open business basis, from the standpoint of permanent investment, and who has an interest in its future; we are against only the man who cares nothing for the property after his speculative deal in its securities has been closed. We favor the railway manager who keeps in close touch with the people along his line rather than in close touch with the speculative market; who operates his line with a view to the advantage he can legitimately get out of his railway as a permanent investment by giving a fair return to the stockholders and to the public good service with reasonable rates; who does not operate his road with a view to the temporary speculative advantage which will follow capitalizing an uncertain future and unloading the securities on the public. We wish to make it to the interest of the investor to put his money into the honest development of the rail-

roads, and therefore we wish to discriminate against the man who, while enriching himself, lays upon the future owners and patrons of the road and above all upon the honest men whose duty it may become to operate the road, a burden of additional debt without adding correspondingly to its actual worth. Much is said about the inability of railway presidents to agree among themselves as to what policy should be advocated and what plans followed in the effort to work out the problems which now present themselves. In so far as the law is concerned, all I ask of them is a willingness to comply fully with its spirit, and a readiness to move along the lines indicated by those who are charged with administering it. Our policy is built upon experience, and our primary purpose is to ensure the future against the mistakes and delinquencies of the past.

There has been much wild talk as to the extent of the over-capitalization of our railroads. The census reports on the commercial value of the railroads of the country, together with the reports made to the Interstate Commerce Commission by the railroads on their cost of construction, tend to show that as a whole the railroad property of the country is worth as much as the securities representing it, and that in the consensus of opinion of investors the total value of stock and bonds is greater than their total face value, notwithstanding the "water" that has been injected in particular places. The huge value of terminals, the immense expenditures in recent years in double tracking, improving grades, roadbeds, and structures, have brought the total investments to a point where

the opinion that the real value is greater than the face value is probably true. No general statement such as this can be accepted as having more than a general value; there are many exceptions; but the evidence seems ample that the great mass of our railroad securities rest upon safe and solid foundations; if they fail in any degree to command complete public confidence, it is because isolated instances of unconscionable stock-watering and kindred offenses arouse suspicion, which naturally extends to all other corporate securities so long as similar practices are possible and the tendency to resort to them is unrestrained by law. While there have been many instances of gross and flagrant stock inflation, and while, of course, there remain cases of over-capitalization, yet when the statistics of the weaker roads, the over-capitalized roads, are combined with those of the stronger roads, and considered in the aggregate, in my judgment they will not be found to impair the wholesome financial standing and position of the railroads as a whole; and while those railway owners and managers who have enriched themselves by loading their properties with securities representing little or no real value deserve our strongest condemnation, on the other hand our hearty commendation is due those owners and managers — representing, I believe, the large majority — who have year after year worked faithfully, patiently, and honestly in building up our great system of railways, which has knitted together in close commercial and social intercourse widely removed sections of the country and stand second only to the great business of agriculture itself in contribution to national growth and development.

Ample provision should be made by Congress to enable the Interstate Commerce Commission, by the employment of a sufficient force of experts, to undertake the physical valuation of each and any road in the country, whenever and so soon as in the opinion of the Commission such a valuation of any road would be of value to the Commission in its work. There are undoubtedly some roads as to which it would be an advantage, from the standpoint of the business of the Commission, to have such a physical valuation as soon as possible.

At the outset let it be understood that physical valuation is no panacea; it is no sufficient measurement of a rate; but it will be ultimately needed as an essential instrument in administrative supervision. It will be of use to the Commission in connection with the duty of determining the reasonableness of future capitalization, both as one element to enable such a body to come to a right conclusion in the matter, and also as an element to be placed before the investing public, to enable this public in its turn to reach a conclusion; though of course capitalization must be determined in large measure by future need rather than past investment. How important physical valuation will prove as one of the factors to assist in fixing equitable rates, I am not able to judge; but that it will be of a certain importance can be safely assumed because of the opinions of the Interstate Commerce Commission and of the courts, and because of the recent action of the Northern Pacific Railroad in advancing such a physical valuation as decisive on its side in a rate controversy. Such a valuation would necessarily help

to protect the railroads against the making of inadequate and unjust rates, and would therefore be as important from the standpoint of the protection of the railroads as from the standpoint of the protection of the public; and of course it is necessary to the enduring prosperity and development of the country that the railroads shall yield reasonable profits to investors. It is from one standpoint quite as important to know the original cost of the building of the road as to know what it would now cost to reproduce it; from another standpoint the human equation — that is, the management of the road — is more important by far than the physical valuation; and the physical valuation of the road in one region may have an entirely different relation to the real value of the road than in another region where the conditions are utterly different. Therefore the physical valuation can never be more than one of many elements to be considered; but it is one element, and at times may be a very important element, when taken in connection with the earning power, franchises, original cost, character of management, location, and business possibilities, in reaching an estimate on the property and rights of a corporation as a going concern.

The effect of such valuation and supervision of securities can not be retroactive. Existing securities should be tested by the laws in existence at the time of their issue. This Nation would no more injure securities which have become an important part of the national wealth than it would consider a proposition to repudiate the public debt. But the public interest requires guaranty against improper multiplication of se-

curities in the future. Reasonable regulations for their issuance should be provided, so as to secure as far as may be that the proceeds thereof shall be devoted to legitimate business purposes. In providing against over-capitalization we shall harm no human being who is honest; and we shall benefit many, for over-capitalization often means an inflation that invites business panic; it always conceals the true relation of the profit earned to the capital invested, creating a burden of interest payments which may redound to the loss alike of the wage-earner and the general public, which is concerned in the rates paid by shippers; it damages the small investor, discourages thrift, and puts a premium on gambling and business trickery.

There is an essential difference between private and quasi-public property which justifies setting somewhere a limit beyond which the accumulating value in quasi-public properties, due to the necessity of a growing community, shall not be capitalized.

One of the most important features of the Hepburn Act is its having given the Commission absolute control over the accounts of railways. The Commission has just issued an order to the effect that on July 1 next all the railways of the country subject to the jurisdiction of the Commission must standardize their accounting methods, and the Commission is now organizing a bureau of special examiners, whose duty it will be, among other things, to see that the books of the carriers are kept in conformity with the rules laid down by the Commission. Thus the means are already at hand and the machinery already

created which, when perfected, will put the public in position to know the facts, so that the small investor can exercise an intelligent judgment when entrusting his money to the promoters of great railway enterprises. We hope as one of the chief means of betterment of conditions to secure as complete publicity in the affairs of railroads as now obtains with regard to national banks.

There need be no fear on the part of investors that this movement for national supervision and control over railways will be for their detriment. If they doubt this, let them study the history of the railway-control movement in such a State as Iowa. It would be hard to find anywhere a more prosperous or more intelligent community; a community of thriving farmers and thriving townspeople. Iowa did its share in the work of building railroads when the business was one that demanded men of the utmost daring and resourcefulness; men like that gallant soldier and real captain of industry, Grenville M. Dodge; men who ran risks and performed feats for which it was difficult to make the reward too high; men who staked everything on the chances of a business which to-day happily involves no such hazards. Iowa was at length forced to undertake the work of regulating the railways within her borders. There was great outcry against it. It was proclaimed that such effort would ruin roads already built, and prevent building more. But Iowa proceeded with the task, and it resulted, not in ruin and stagnation, but in increased safety and profit to the honest investor. Instead of putting roads into the

hands of receivers, it was followed by a prosperity that rescued many of them from receiverships.

No State, of course, can do for the railways what the National Government has already done for the banks, and that Government should do something analogous for the railways. National bank stocks are bought and sold largely on the certificate of character which the Government, as a result of its examinations and supervision, gives to them. To give another illustration from Iowa's experience, when the national banking law was amended to allow small banks to take out national charters, great numbers of the State banks of that State were reorganized into national institutions. The investing public was ready to back with unlimited confidence the institutions on which the Federal Government had set the seal of its confidence and approval. The railways have not been given this certificate of character, under the seal of the National Government, and therefore many people who invest freely in the shares of banks are reluctant to buy railroad securities. Give them the same guaranties as to railroad securities which we now give them as to national bank shares, and we would presently see these people investing in railroads, and thus opening a new reservoir from which to draw the capital now so much needed for the extension and betterment of the railroads.

All this, my friends, is substantially what I have said over and over again. Surely, it ought not to be necessary to say that it in no shape or way represents any hostility to corporations as such. On the contrary, it means a frank recognition of the fact that combinations of capital,

like combinations of labor, are a natural result of modern conditions and of our national development. As far as in my ability lies my endeavor is and will be to prevent abuse of power by either and to favor both so long as they do well. The aim of the National Government is quite as much to favor and protect honest corporations, honest business men of wealth, as to bring to justice those individuals and corporations representing dishonest methods. Most certainly there will be no relaxation by the Government authorities in the effort to get at any great railroad wrecker — any man who by clever swindling devices robs investors, oppresses wage-workers, and does injustice to the general public. But any such move as this is in the interest of honest railway operators, of honest corporations, and of those who, when they invest their small savings in stocks and bonds, wish to be assured that these will represent money honestly expended for legitimate business purposes. To confer upon the National Government the power for which I ask would be a check upon over-capitalization and upon the clever gamblers who benefit by over-capitalization. But it alone would mean an increase in the value, an increase in the safety of the stocks and bonds of law-abiding, honestly managed railroads, and would render it far easier to market their securities. I believe in proper publicity. There has been complaint of some of the investigations recently carried on, but those who complain should put the blame where it belongs — upon the misdeeds which are done in darkness, and not upon the investigations which brought them to light. The Administration is responsible for turning on the

light, but it is not responsible for what the light showed. I ask for full power to be given the Federal Government, because no single State can by legislation effectually cope with these powerful corporations engaged in interstate commerce, and, while doing them full justice, exact from them in return full justice to others. The conditions of railroad activity, the conditions of our immense interstate commerce, are such as to make the central government alone competent to exercise full supervision and control.

The grave abuses in individual cases of railroad management in the past represent wrongs not merely to the general public, but, above all, wrongs to fair-dealing and honest corporations and men of wealth, because they excite a popular anger and distrust which from the very nature of the case tends to include in the sweep of its resentment good and bad alike. From the standpoint of the public I can not too earnestly say that as soon as the natural and proper resentment aroused by these abuses becomes indiscriminate and unthinking, it also becomes not merely unwise and unfair, but calculated to defeat the very ends which those feeling it have in view. There has been plenty of dishonest work by corporations in the past. There will not be the slightest let-up in the effort to hunt down and punish every dishonest man. But the bulk of our business is honestly done. In the natural indignation the people feel over the dishonesty, it is all-essential that they should not lose their heads and get drawn into an indiscriminate raid upon all corporations, all people of wealth, whether they do well or ill. Out of any such wild movement good will not come, can not

come, and never has come. On the contrary, the surest way to invite reaction is to follow the lead of either demagogue or visionary in a sweeping assault upon property values and upon public confidence, which would work incalculable damage in the business world, and would produce such distrust of the agitators that in the revulsion the distrust would extend to honest men who, in sincere and sane fashion, are trying to remedy the evils.

The great need of the hour, from the standpoint of the general public — of the producer, consumer, and shipper alike — is the need for better transportation facilities, for additional tracks, additional terminals, and improvements in the actual handling of the railroads; and all this with the least possible delay. Ample, safe, and rapid transportation facilities are even more necessary than cheap transportation. The prime need is for the investment of money which will provide better terminal facilities, additional tracks, and a greater number of cars and locomotives, while at the same time securing, if possible, better wages and shorter hours for the employees. There must be just and reasonable regulation of rates, but any arbitrary and unthinking movement to cut them down may be equivalent to putting a complete stop to the effort to provide better transportation.

There can be no question as to the desirability of doing away with rebates or any method of favoring one shipper at the expense of a competitor, and direct dealing with the rates is sometimes the only method by which this favoritism can be avoided; but where favoritism is not alleged, and when the question is nakedly one of

getting a lower rate, it must be remembered that it is often possible that those demanding it may be diametrically opposed in interest to those who demand a better, safer, and more rapid transportation service, and higher wages and shorter hours for employees. If the demand for more taxes, for higher wages, for shorter hours for employees, and for lower rates becomes so excessive as to prevent ample and speedy transportation, and to eat up the legitimate profits; if popular and legislative movements take a shape so ill-directed as not only to threaten honest investments and honest enterprises, but also to prevent any effort for the betterment of transportation facilities, it then becomes out of the question to secure the necessary investment of capital in order to bring about an improved service. Rates should not be unduly high; there should be a thorough safeguarding against accidents; there should be no improper shirking of taxes; the shippers of the country must be supplied generously with cars and all other equipments necessary to properly care for our commerce, and all this means that the National Government must be given full and effective power of supervision and control. But the interests of those who build, who manage, and who invest in the railroads must be no less scrupulously guarded than the interests of the public. It is urgently necessary at the present time, in order to relieve the existing congestion of business and to do away with the paralysis which threatens our expanding industries, because of limited and inefficient means of distribution, that our railway facilities should be so increased as to meet the imperative demands of our internal commerce.

The want can be met only by private capital, and the vast expenditure necessary for such purpose will not be incurred unless private capital is afforded reasonable incentive and protection. It is therefore a prime necessity to allow investments in railway properties to earn a liberal return, a return sufficiently liberal to cover all risks. We can not get an improved service unless the carriers of the country can sell their securities; and therefore nothing should be done unwarrantedly to impair their credit nor to decrease the value of their outstanding obligations.

I emphatically believe that positive restraint should be imposed upon railway corporations, and that they should be required to meet positive obligations in the interest of the general public. I no less emphatically believe that in thus regulating and controlling the affairs of the railways it is necessary to recognize the need of an immense outlay of money from private sources, and the certainty that this will not be met without the assurance of sufficient reward to induce the necessary investment. It is plainly inadvisable for the Government to undertake to direct the physical operation of the railways, save in wholly exceptional cases; and the supervision and control it exercises should be both entirely adequate to secure its ends, and yet no more harassing than is necessary to secure these ends.

I believe that the railroad men of the United States are coming to a more perfect sense of the responsibility of the relation which they bear to the public and of the dignity of that relation. They are public servants in the highest and fullest sense. Indeed, there is not a brakeman nor a

switchman upon the most remote road in the land who does not fill a public function and render a service of large public usefulness. We begrudge neither honor nor reward to these men to whom we entrust our lives and our property. Behind these active workers in the railroad field are those who have the determination of railroad policies. These men are entitled to great rewards; and in return public opinion is right in holding them to a rigid accountability for the way they perform their public duties. For several months past some, if not all, of our roads have been in a condition of extreme congestion. Doubtless this is mainly due to the fact that the country has outgrown its railroads, that our prosperity has increased at such a rate that the most sanguine and optimistic railroads have been unable to keep pace with its growth. But it is also true that ordinary methods of operation, which hold good in a placid time of steady and regular movement, should at a time of crisis yield to the imperative necessities of public need.

The experience of the past winter proves how great is our dependence on the railroads and how serious the responsibility of those who undertake to care for the public in the matter of transportation. I believe that there is sufficient ingenuity and executive genius in the operating officials of the roads greatly to diminish the troubles complained of. The most effective way to lessen demands for unreasonable legislation is for the railroads acting individually and collectively to remedy as many as possible of the abuses and shortcomings for which there really are remedies, and for which remedial laws are demanded by the shipping public.

The admirable national legislation of recent years, in taking away from the railroads the power of giving illegal favor, has taken away from them one of the illegitimate methods by which they used to protect themselves from improper attack; and it is therefore necessary that upright public servants should be as vigilant to protect them against harm as to prevent them from doing harm. Undoubtedly many high officers among the railroad men have followed the extremely unwise course of endeavoring to defeat the enactment of proper laws for their own control, and of endeavoring to thwart, obstruct, and bring into discredit the administration of the laws. But the folly of some of their number in no way alters our duty, nor the wisdom of performing this duty in a spirit of absolute justice alike to the railroad, the shipper, and the general public.

Finally, friends, let us never forget that this is not merely a matter of business but also a matter of morals. The success of our whole system of government depends upon our discriminating between men, not with reference to whether they are rich or poor, whether they follow one occupation or another, but with reference solely to whether they act as honest and upright citizens should act. Let the local attorneys of the big roads keep out of politics; and when they have to appear before the National or any State Legislature let their names be put on a special register, and let their business be above-board and open. There are black-mailers in public life, and the citizen who is honest will war against the man who tries to blackmail a railroad or a big corporation with the same stern determination

to punish him as against the man who corruptly favors such corporation. But let the railroad man remember that to purchase immunity in wrong-doing or to defeat blackmail by bribery is the worst and most short-sighted of policies. Let the plain people insist on the one hand on governing themselves and on the other hand on doing exact justice to the railways. Let the big railroad man scrupulously refrain from any effort to influence politics or government save as it is the duty of every good citizen in legitimate ways to try to influence politics and government; let the people as a whole, in their turn, remember that it is their duty to discriminate in the sharpest way between the railway man who does well and the railway man who does ill; and, above all, to remember that the irreparable moral harm done to the body politic by corruption is just as great, whether the corruption takes the form of blackmailing a big corporation or of corruptly doing its bidding. What we have to demand in ourselves and in our public servants is honesty — honesty to all men; and if we condone dishonesty because we think it is exercised in the interests of the people, we may rest assured that the man thus showing it lacks only the opportunity to exercise it against the interests of the people. The man who on occasion will corruptly do what is wrong in the interests of a big corporation is the very man eager to blackmail that corporation as the opportunity arises. The man who is on occasion a corruptionist is apt, when the gust of popular feeling blows hard against the corporations he has corruptly served, to be the loudest, most reckless, and most violent among those who denounce them. Hunt such a

man out of public life. Hunt him out as remorselessly if he is a blackmailer as if he stands corruptly for special privilege. Demand honesty — absolute, unflinching honesty — together with courage and common sense, in public servant and in business man alike. Make it evident that you will not tolerate in public life a man who discriminates for or against any other, save as justice and reason demand it; and that in your attitude toward business men, toward the men who are dealing with the great financial interests of the country, while you intend to secure a sharp reckoning for the wrong-doers, you also intend heartily to favor the men who in legitimate ways are doing good work in the business community — the railway president, the traffic manager, or other official, high or low, who is doing all in his power to handle his share in a vast and complicated business to the profit alike of the stockholder and the general public.

Let the man of great wealth remember that, while using and enjoying it, he must nevertheless feel that he is in a sense a trustee, and that consistent misuse, whether in acquiring or spending his wealth, is ominous of evil to himself, to others who have wealth, and to the Nation as a whole. As for the rest of us, let us guard ourselves against envy as we ask that others guard themselves against arrogance, and remember Lincoln's words of kindly wisdom: "Let not him who is houseless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built."

INDUSTRIAL TRAINING AND NATIONAL DEVELOPMENT

FROM AN ADDRESS DELIVERED IN LANSING, MICHIGAN, MAY 31, 1907, AT THE SEMI-CENTENNIAL CELEBRATION OF THE FOUNDING OF AGRICULTURAL COLLEGES IN THE UNITED STATES

As a people there is nothing in which we take a juster pride than our educational system. It is our boast that every boy or girl has the chance to get a school training; and we feel it is a prime national duty to furnish this training free, because only thereby can we secure the proper type of citizenship in the average American. Our public schools and our colleges have done their work well, and there is no class of our citizens deserving of heartier praise than the men and women who teach in them.

Nevertheless, for at least a generation we have been waking to the knowledge that there must be additional education beyond that provided in the public school as it is managed to-day. Our school system has hitherto been well-nigh wholy lacking on the side of industrial training, of the training which fits a man for the shop and the farm. This is a most serious lack, for no one can look at the peoples of mankind as they stand at present without realizing that industrial training is one of the most potent factors in national development. We of the United States must develop a system under which each individual citizen shall be trained so as to be effective individually as an economic unit, and fit to be organized with his fellows so that he and they can

work in efficient fashion together. This question is vital to our future progress, and public attention should be focused upon it. Surely it is eminently in accord with the principles of our democratic life that we should furnish the highest average industrial training for the ordinary skilled workman. But it is a curous thing that in industrial training we have tended to devote our energies to producing high-grade men at the top rather than in the ranks. Our engineering schools, for instance, compare favorably with the best in Europe, whereas we have done almost nothing to equip the private soldiers of the industrial army — the mechanic, the metal-worker, the carpenter. Indeed, too often our schools train away from the shop and the forge; and this fact, together with the abandonment of the old apprentice system, has resulted in such an absence of facilities for providing trained journeymen that in many of our trades almost all the recruits among the workmen are foreigners. Surely this means that there must be some systematic method provided for training young men in the trades, and that this must be co-ordinated with the public-school system. No industrial school can turn out a finished journeyman; but it can furnish the material out of which a finished journeyman can be made, just as an engineering school furnishes the training which enables its graduates speedily to become engineers.

We hear a great deal of the need of protecting our workingmen from competition with pauper labor. I have very little fear of the competition of pauper labor. The nations with pauper labor are not the formidable industrial competitors of this country. What the American workingman

has to fear is the competition of the highly skilled workingman of the countries of greatest industrial efficiency. By the tariff and by our immigration laws we can always protect ourselves against the competition of pauper labor here at home; but when we contend for the markets of the world we can get no protection, and we shall then find that our most formidable competitors are the nations in which there is the most highly developed business ability, the most highly developed industrial skill; and these are the qualities which we must ourselves develop.

We have been fond as a Nation of speaking of the dignity of labor, meaning thereby manual labor. Personally I don't think that we begin to understand what a high place manual labor should take; and it never can take this high place unless it offers scope for the best type of man. We have tended to regard education as a matter of the head only, and the result is that a great many of our people, themselves the sons of men who worked with their hands, seem to think that they rise in the world if they get into a position where they do no hard manual work whatever; where their hands will grow soft, and their working clothes will be kept clean. Such a conception is both false and mischievous. There are, of course, kinds of labor where the work must be purely mental, and there are other kinds of labor where, under existing conditions, very little demand indeed is made upon the mind, though I am glad to say that I think the proportion of men engaged in this kind of work is diminishing. But in any healthy community, in any community with the great solid qualities which alone make a really great nation, the bulk of the

people should do work which makes demands upon both the body and the mind. Progress can not permanently consist in the abandonment of physical labor, but in the development of physical labor so that it shall represent more and more the work of the trained mind in the trained body. To provide such training, to encourage in every way the production of the men whom it alone can produce, is to show that as a Nation we have a true conception of the dignity and importance of labor. The calling of the skilled tiller of the soil, the calling of the skilled mechanic, should alike be recognized as professions, just as emphatically as the callings of lawyer, of doctor, of banker, merchant, or clerk. The printer, the electrical worker, the house painter, the foundry man, should be trained just as carefully as the stenographer or the drug clerk. They should be trained alike in head and in hand. They should get over the idea that to earn twelve dollars a week and call it "salary" is better than to earn twenty-five dollars a week and call it "wages." The young man who has the courage and the ability to refuse to enter the crowded field of the so-called professions and to take to constructive industry is almost sure of an ample reward in earnings, in health, in opportunity to marry early, and to establish a home with reasonable freedom from worry. We need the training, the manual dexterity, and industrial intelligence which can be best given in a good agricultural, or building, or textile, or watch-making, or engraving, or mechanical school. It should be one of our prime objects to put the mechanic, the wage-worker who works with his hands, and who ought to work in a constantly larger degree

with his head, on a higher plane of efficiency and reward, so as to increase his effectiveness in the economic world, and therefore the dignity, the remuneration, and the power of his position in the social world. To train boys and girls in merely literary accomplishments to the total exclusion of industrial, manual, and technical training, tends to unfit them for industrial work; and in real life most work is industrial.

The problem of furnishing well-trained craftsmen, or rather journeymen fitted in the end to become such, is not simple — few problems are simple in the actual process of their solution — and much care and forethought and practical common sense will be needed, in order to work it out in a fairly satisfactory manner. It should appeal to all our citizens. I am glad that societies have already been formed to promote industrial education, and that their membership includes manufacturers and leaders of labor unions, educators and publicists, men of all conditions who are interested in education and in industry. It is such co-operation that offers most hope for a satisfactory solution of the question as to what is the best form of industrial school, as to the means by which it may be articulated with the public-school system, and as to the way to secure for the boys trained therein the opportunity to acquire in the industries the practical skill which alone can make them finished journeymen.

There is but one person whose welfare is as vital to the welfare of the whole country as is that of the wage-worker who does manual labor; and that is the tiller of the soil — the farmer. If there is one lesson taught by history it is that the permanent greatness of any State

must ultimately depend more upon the character of its country population than upon anything else. No growth of cities, no growth of wealth can make up for a loss in either the number or the character of the farming population. In the United States more than in almost any other country we should realize this and should prize our country population. When this Nation began its independent existence it was as a nation of farmers. The towns were small and were for the most part mere seacoast trading and fishing ports. The chief industry of the country was agriculture and the ordinary citizen was in some way connected with it. In every great crisis of the past a peculiar dependence has had to be placed upon the farming population; and this dependence has hitherto been justified. But it can not be justified in the future if agriculture is permitted to sink in the scale as compared with other employments. We can not afford to lose that pre-eminently typical American, the farmer who owns his own farm.

Yet it would be idle to deny that in the last half century there has been in the eastern half of our country a falling off in the relative condition of the tillers of the soil, although signs are multiplying that the Nation has waked up to the danger and is preparing to grapple effectively with it. East of the Mississippi and north of the Ohio and the Potomac there has been on the whole an actual shrinkage in the number of the farming population since the Civil War. In the States of this section there has been a growth of population — in some an enormous growth — but the growth has taken place in the cities, and especially in the larger cities. This has been

due to certain economic factors, such as the extension of railroads, the development of machinery, and the openings for industrial success afforded by the unprecedented growth of cities. The increased facility of communication has resulted in the withdrawal from rural communities of most of the small, widely distributed manufacturing and commercial operations of former times, and the substitution therefor of the centralized commercial and manufacturing industries of the cities.

The chief offset to the various tendencies which have told against the farm has hitherto come in the rise of the physical sciences and their application to agricultural practices or to the rendering of country conditions more easy and pleasant. But these countervailing forces are as yet in their infancy. As compared with a few decades ago, the social or community life of country people in the east compares less well than it formerly did with that of the dwellers in cities. Many country communities have lost their social coherence, their sense of community interest. In such communities the country church, for instance, has gone backward both as a social and a religious factor. Now, we can not too strongly insist upon the fact that it is quite as unfortunate to have any social as any economic falling off. It would be a calamity to have our farms occupied by a lower type of people than the hard-working, self-respecting, independent, and essentially manly and womanly men and women who have hitherto constituted the most typically American, and on the whole the most valuable, element in our entire Nation. Ambitious native-born young men and women who now tend away

from the farm must be brought back to it, and therefore they must have social as well as economic opportunities. Everything should be done to encourage the growth in the open farming country of such institutional and social movements as will meet the demand of the best type of farmers. There should be libraries, assembly halls, social organizations of all kinds. The school building and the teacher in the school building should, throughout the country districts, be of the very highest type, able to fit the boys and girls not merely to live in, but thoroughly to enjoy and to make the most of the country. The country church must be revived. All kinds of agencies, from rural free delivery to the bicycle and the telephone, should be utilized to the utmost; good roads should be favored; everything should be done to make it easier for the farmer to lead the most active and effective intellectual, political, and economic life.

There are regions of large extent where all this, or most of this, has already been realized; and while this is perhaps especially true of great tracts of farming country west of the Mississippi, with some of which I have a fairly intimate personal knowledge, it is no less true of other great tracts of country east of the Mississippi. In these regions the church and the school flourish as never before; there is a more successful and more varied farming industry; the social advantages and opportunities are greater than ever before; life is fuller, happier, more useful; and though the work is more effective than ever, and in a way quite as hard, it is carried on so as to give more scope for well-used leisure. My plea is that we shall all try to make more nearly

universal the conditions that now obtain in the most favored localities.

Nothing in the way of scientific work can ever take the place of business management on a farm. We ought all of us to teach ourselves as much as possible; but we can also all of us learn from others; and the farmer can best learn how to manage his farm even better than he now does by practice, under intelligent supervision, on his own soil in such way as to increase his income. This is the kind of teaching which has been carried on in Texas, Louisiana, and Arkansas by Doctor Knapp, of the National Department of Agriculture. But much has been accomplished by the growth of what is broadly designated as agricultural science. This has been developed with remarkable rapidity during the last quarter of a century, and the benefit to agriculture has been great. As was inevitable, there was much error and much repetition of work in the early application of money to the needs of agricultural colleges and experiment stations alike by the Nation and the several States. Much has been accomplished; but much more can be accomplished in the future. The prime need must always be for real research, resulting in scientific conclusions of proved soundness. Both the farmer and the legislature must beware of invariably demanding immediate returns from investments in research efforts. It is probably one of our faults as a nation that we are too impatient to wait a sufficient length of time to accomplish the best results; and in agriculture effective research often, although not always, involves slow and long-continued effort if the results are to be trustworthy. While ap-

plied science in agriculture as elsewhere must be judged largely from the standpoint of its actual return in dollars, yet the farmers, no more than any one else, can afford to ignore the large results that can be enjoyed because of broader knowledge. The farmer must prepare for using the knowledge that can be obtained through agricultural colleges by insisting upon a constantly more practical curriculum in the schools in which his children are taught. He must not lose his independence, his initiative, his rugged self-sufficiency; and yet he must learn to work in the heartiest co-operation with his fellows.

The corner-stones of our unexampled prosperity are, on the one hand, the production of raw material, and its manufacture and distribution on the other. These two great groups of subjects are represented in the National Government principally by the Departments of Agriculture and of Commerce and Labor. The production of raw material from the surface of the earth is the sphere in which the Department of Agriculture has hitherto achieved such notable results. Of all the executive departments there is no other, not even the Post-Office, which comes into more direct and beneficent contact with the daily life of the people than the Department of Agriculture, and none whose yield of practical benefits is greater in proportion to the public money expended.

But great as its services have been in the past, the Department of Agriculture has a still larger field of usefulness ahead. It has been dealing with growing crops. It must hereafter deal also with living men. Hitherto agricultural research, instruction, and agitation have

been directed almost exclusively toward the production of wealth from the soil. It is time to adopt in addition a new point of view. Hereafter another great task before the National Department of Agriculture and the similar agencies of the various States must be to foster agriculture for its social results, or, in other words, to assist in bringing about the best kind of life on the farm for the sake of producing the best kind of men, The Government must recognize the far-reaching importance of the study and treatment of the problems of farm life alike from the social and the economic standpoints; and the Federal and State Departments of Agriculture should co-operate at every point.

The farm grows the raw material for the food and clothing of all our citizens; it supports directly almost half of them; and nearly half the children of the United States are born and brought up on farms. How can the life of the farm family be made less solitary, fuller of opportunity, freer from drudgery, more comfortable, happier, and more attractive? Such a result is most earnestly to be desired. How can life on the farm be kept on the highest level, and where it is not already on that level, be so improved, dignified, and brightened as to awaken and keep alive the pride and loyalty of the farmer's boys and girls, of the farmer's wife, and of the farmer himself? How can a compelling desire to live on the farm be aroused in the children that are born on the farm? All these questions are of vital importance not only to the farmer, but to the whole Nation; and the Department of Agriculture must do its share in answering them.

The drift toward the city is largely determined by the superior social opportunities to be enjoyed there, by the greater vividness and movement of city life. Considered from the point of view of national efficiency, the problem of the farm is as much a problem of attractiveness as it is a problem of property. It has ceased to be merely a problem of growing wheat and corn and cattle. The problem of production has not ceased to be fundamental, but it is no longer final; just as learning to read and write and cipher are fundamental, but are no longer the final ends of education. We hope ultimately to double the average yield of wheat and corn per acre; it will be a great achievement; but it is even more important to double the desirability, comfort, and standing of the farmer's life.

We must consider, then, not merely how to produce, but also how production affects the producer. In the past we have given but scant attention to the social side of farm life. We should study much more closely than has yet been done the social organization of the country, and inquire whether its institutions are now really as useful to the farmer as they should be, or whether they should not be given a new direction and a new impulse, for no farmer's life should lie merely within the boundary of his farm. This study must be of the East and the West, the North and the South; for the needs vary from place to place.

First in importance, of course, comes the effort to secure the mastery of production. Great strides toward this end have already been taken over the larger part of the United States; much remains to be done, but much has been done;

and the debt of the Nation to the various agencies of agricultural improvement for so great an advance is not to be overstated. But we can not halt here. The benefits of high social organization include such advantages as ease of communication, better educational facilities, increased comfort of living, and those opportunities for social and intellectual life and intercourse, of special value to the young people and to the women, which are as yet chiefly to be had in centres of population. All this must be brought within the reach of the farmers who live on the farms, of the men whose labor feeds and clothes the towns and cities.

Farmers must learn the vital need of co-operation with one another. Next to this comes co-operation with the Government, and the Government can best give its aid through associations of farmers rather than through the individual farmer; for there is no greater agricultural problem than that of delivering to the farmer the large body of agricultural knowledge which has been accumulated by the National and State Governments and by the agricultural colleges and schools. Nowhere has the Government worked to better advantage than in the South, where the work done by the Department of Agriculture in connection with the cotton-growers of the southwestern States has been phenomenal in its value. The farmers in the region affected by the boll weevil, in the course of the efforts to fight it have succeeded in developing a most scientific husbandry, so that in many places the boll weevil became a blessing in disguise. Not only did the industry of farming become of very much greater economic value in its direct results, but it became im-

mensely more interesting to thousands of families. The meetings at which the new subjects of interest were discussed grew to have a distinct social value, while with the farmers were joined the merchants and bankers of the neighborhood. It is needless to say that every such successful effort to organize the farmer gives a great stimulus to the admirable educational work which is being done in the Southern States, as elsewhere, to prepare young people for an agricultural life. It is greatly to be wished that the communities from whence these students are drawn and to which they either return or should return could be co-operatively organized; that is, that associations of farmers could be organized, primarily for business purposes, but also with social ends in view. This would mean that the returned students from the institutions of technical learning would find their environment prepared to profit to the utmost by the improvements in technical methods which they had learned.

The people of our farming regions must be able to combine among themselves, as the most efficient means of protecting their industry from the highly organized interests which now surround them on every side. A vast field is open for work by co-operative associations of farmers in dealing with the relation of the farm to transportation and to the distribution and manufacture of raw materials. It is only through such combination that American farmers can develop to the full their economic and social power. Combination of this kind has, in Denmark, for instance, resulted in bringing the people back to the land, and has enabled the Danish peasant to

compete in extraordinary fashion, not only at home but in foreign countries, with all rivals.

Agricultural colleges and farmers' institutes have done much in instruction and inspiration; they have stood for the nobility of labor and the necessity of keeping the muscles and the brain in training for industry. They have developed technical departments of high practical value. They seek to provide for the people on the farms an equipment so broad and thorough as to fit them for the highest requirements of our citizenship; so that they can establish and maintain country homes of the best type, and create and sustain a country civilization more than equal to that of the city. The men they train must be able to meet the strongest business competition, at home or abroad, and they can do this only if they are trained not alone in the various lines of husbandry but in successful economic management. These colleges, like the State experiment stations, should carefully study and make known the needs of each section, and should try to provide remedies for what is wrong.

The education to be obtained in these colleges should create as intimate relationship as is possible between the theory of learning and the facts of actual life. Educational establishments should produce highly trained scholars, of course; but in a country like ours, where the educational establishments are so numerous, it is folly to think that their main purpose is to produce these highly trained scholars. Without in the least disparaging scholarship and learning — on the contrary, while giving hearty and ungrudging admiration and support to the comparatively few whose primary work should be creative

scholarship — it must be remembered that the ordinary graduate of our colleges should be and must be primarily a man and not a scholar. Education should not confine itself to books. It must train executive power, and try to create that right public opinion which is the most potent factor in the proper solution of all political and social questions. Book-learning is very important, but it is by no means everything; and we shall never get the right idea of education until we definitely understand that a man may be well trained in book-learning and yet, in the proper sense of the word, and for all practical purposes, be utterly uneducated; while a man of comparatively little book-learning may, nevertheless, in essentials, have a good education.

It is true that agriculture in the United States has reached a very high level of prosperity; but we can not afford to disregard the signs which teach us that there are influences operating against the establishment or retention of our country life upon a really sound basis. The over-extensive and wasteful cultivation of pioneer days must stop and give place to a more economical system. Not only the physical but the ethical needs of the people of the country districts must be considered. In our country life there must be social and intellectual advantages as well as a fair standard of physical comfort. There must be in the country, as in the town, a multiplication of movements for intellectual advancement and social betterment. We must try to raise the average of farm life, and we must also try to develop it so that it shall offer exceptional chances for the exceptional man.

Of course the essential things after all are

those which concern all of us as men and women, no matter whether we live in the town or the country, and no matter what our occupations may be. The root problems are much the same for all of us, widely though they may differ in outward manifestation. The most important conditions that tell for happiness within the home are the same for the town and the country; and the relations between employer and employee are not always satisfactory on the farm any more than in the factory. All over the country there is a constant complaint of paucity of farm labor. Without attempting to go into all the features of this question, I would like to point out that you can never get the right kind, the best kind, of labor if you offer employment only for a few months, for no man worth anything will permanently accept a system which leaves him in idleness for half the year. And most important of all, I want to say a special word on behalf of the one who is too often the very hardest worked laborer on the farm — the farmer's wife. Reform, like charity, while it should not end at home, should certainly begin there; and the man, whether he lives on a farm or in a town, who is anxious to see better social and economic conditions prevail through the country at large, should be exceedingly careful that they prevail first as regards his own womankind. I emphatically believe that for the great majority of women the really indispensable industry in which they should engage is the industry of the home. There are exceptions, of course; but exactly as the first duty of the normal man is the duty of being the home-maker, so the first duty of the normal woman is to be the home-keeper; and ex-

actly as no other learning is as important for the average man as the learning which will teach him how to make his livelihood, so no other learning is as important for the average woman as the learning which will make her a good housewife and mother. But this does not mean that she should be an overworked drudge. I have hearty sympathy with the movement to better the condition of the average tiller of the soil, of the average wage-worker, and I have an even heartier sympathy and applause for the movement which is to better the condition of their respective wives. There is plenty that is hard and rough and disagreeable in the necessary work of actual life; and under the best circumstances, and no matter how tender and considerate the husband, the wife will have at least her full share of work and worry and anxiety; but if the man is worth his salt he will try to take as much as possible of the burden off the shoulders of his helpmeet. There is nothing Utopian in the movement; all that is necessary is to strive toward raising the average, both of men and women, to the level on which the highest type of family now stands among American farmers, among American skilled mechanics, among American citizens generally; for in all the world there is no better and healthier home life, no finer factory of individual character, nothing more representative of what is best and most characteristic in American life, than that which exists in the higher type of American family; and this higher type of family is to be found everywhere among us, and is the property of no special group of citizens.

The best crop is the crop of children; the best

products of the farm are the men and women raised thereon; and the most instructive and practical treatises on farming, necessary though they be, are no more necessary than the books which teach us our duty to our neighbor, and above all to the neighbor who is of our own household. You young men and women of the agricultural and industrial colleges and schools — and for that matter, you who go to any college or school — must have some time for light reading; and there is some light reading quite as useful as heavy reading, provided of course that you do not read in a spirit of mere vacuity. Aside from the great classics, and thinking only of the many healthy and stimulating books of the day, it is easy to pick out many which can really serve as tracts, because they possess what many avowed tracts and treatises do not, the prime quality of being interesting. You will learn the root principles of self-help and helpfulness toward others from "Mrs. Wiggs of the Cabbage Patch," just as much as from any formal treatise on charity; you will learn as much sound, social, and industrial doctrine from Octave Thanet's stories of farmers and wage-workers as from avowed sociological and economic studies; and I cordially recommend the first chapter of "Aunt Jane of Kentucky" for use as a tract in all families where the men folks tend to selfish or thoughtless or overbearing disregard of the rights of their womankind.

Do not misunderstand me. I have not the slightest sympathy with those hysterical and foolish creatures who wish women to attain to easy lives by shirking their duties. I have as hearty a contempt for the woman who shirks her

duty of bearing and rearing the children, of doing her full housewife's work, as I have for the man who is an idler, who shirks his duty of earning a living for himself and for his household, or who is selfish or brutal toward his wife and children. I believe in the happiness that comes from the performance of duty, not from the avoidance of duty. But I believe also in trying, each of us, as strength is given us, to bear one another's burdens; and this especially in our own homes. No outside training, no co-operation, no Government aid or direction can take the place of a strong and upright character; of goodness of heart combined with clearness of head, and that strength and toughness of fibre necessary to wring success from a rough workaday world. Nothing outside the home can take the place of home. The school is an invaluable adjunct to the home, but it is a wretched substitute for it. The family relation is the most fundamental, the most important of all relations. No leader in church or state, in science or art or industry, however great his achievement, does work which compares in importance with that of the father and the mother, "who are the first of sovereigns and the most divine of priests."

CHILD LABOR AND EMPLOYERS' LIABILITY

FROM AN ADDRESS DELIVERED IN THE GEORGIA STATE BUILDING, AT THE JAMESTOWN EXPOSITION, JUNE 10, 1907

In the fundamentals I have found American citizens to be just about the same everywhere.

In whatever locality of the country we live, whatever our fortune or occupation in life, there exist just about the same essential good qualities and much the same shortcomings in any gathering of our citizens. Of course, each community has its especial temptations, its especial shortcomings; and if it is wise each community will try to cure itself rather than to cause heartburnings by railing at the shortcomings of a sister community. There is ample field for the reform energies of every one of us in his or her particular sphere of home and neighborhood activity.

Not only is all of this true as between one community and another, but it is just as true between one class of our citizens and another. Now and then we meet well-meaning people who have a genuine horror and dread of all rich men and think of them as being set apart by peculiar vice and iniquity. Now and then we meet equally well-meaning rich men who have an equally irrational dread of those whom they style "labor leaders." In each case I think the hostility is in large part due to a want of sympathy caused by complete ignorance of the men who arouse such distrust or anger. As a matter of fact, if we take a given number of men of large fortune and a like number of wage-workers, we find that in their essential human nature they are all alike. In each group we find men as wise and as foolish, as good and as bad as in the other group. Such being the case it is certainly well that, so far as possible, when the men of a given group, as a whole, act in a way that we deem contrary to the public interest, we should treat the action as a wrong to be remedied rather than as a wrong to be avenged. We ought not to tolerate wrong.

It is a sign of weakness to do so, and in its ultimate effects weakness is often quite as bad as wickedness. But in putting a stop to the wrong we should, so far as possible, avoid getting into an attitude of vindictive hatred toward the wrong-doer. He may be morally to blame and it may be necessary to punish him; but, on the other hand, the wrong he has committed may simply be due to the existing condition of things, to conditions under which he has been brought up; and in such a case, while we must apply the remedy, and see that there is no further chance of harm to the community, it is neither just nor far-sighted to exact revenge for what has been done. In short, friends, let us realize that in very truth we are knit together in ties of brotherhood, and that while it is proper and necessary that we should insist upon our rights, we should yet be patient and considerate in bearing with one another, and in trying, so far as in us lies, each to look at the problems that face us from his brother's standpoint as well as his own.

During the last quarter of a century this Nation has made astounding strides in material progress, and in no other section has this progress been more noteworthy than in the South. While her agriculture has grown faster than ever before, there has also been a new growth of her manufacturing industries — indeed, there has been growth of every kind. But of course there is ample room for further growth. The South will be all the better for new immigrants of the right type, and I hope to see steamship lines carrying such immigrants established at ports like Savannah and Charleston, just as I hope to see ports like New Orleans connected by lines of

steamers with the South American continent, the continent with which our relations should grow ever closer and mutually more advantageous. In the South, as everywhere through the Union, we need to see a good education given free to all children, no matter what may be their race or color. Nor can we wisely permit this education to be of a merely literary type. More and more we are growing to realize that there must be an education of the hand as well as of the head. There must be agricultural and industrial colleges, and, above all, schools in which there can be elementary preparation for agriculture and industry. These schools for technical training will hold a great place in the future in fitting our citizens for doing their economic duties in the best possible shape. In the South there is a population peculiarly fitted to profit by them, a population which has been generally referred to as "poor white," a population of splendid capacities, and almost purely of the old native stock, which simply lacks the opportunity to develop a degree of industrial efficiency unsurpassed elsewhere on this continent.

It is a matter for congratulation that there is such a steady increase of interest in the Southern States in everything pertaining to children. This has already markedly shown itself, and I hope will still more markedly show itself in the future, in warring against the evil of child labor in factories. The factory is a very poor place indeed for a child; indeed, personally I think the factory a poor place for a woman — certainly for a married woman, or for an unmarried woman for more than a very few years. In any community organized on really healthy lines the aver-

age woman will have quite enough to do in her own home, whether she is rich or poor; and nowhere else can she do work of such value to the Nation as a whole — and by work, I mean her housework, her work as housewife and mother, and not so-called "home industries." As regards children, it is as essential to look after their physical as their mental training. We can not afford to let children grow up ignorant; and if they are sent to school they can not, while young, also work hard outside without detriment, physical, mental and moral. There is urgent need for the health authorities to increase their care over the hygienic conditions and surroundings of children of tender years, and especially to supervise those in the schools. It is a good thing to try to reform bad children, to try to build up degenerate children; but it is an even better thing to try to keep healthy in soul, body, and mind those children who are now sound, but who may easily grow up unsound if no care is taken of them. The Nation's most valuable asset is the children; for the children are the Nation of the future. All people alive to the Nation's need should join together to work for the moral, spiritual, and physical welfare of the children in all parts of our land. I am glad that there has been founded a national society of public school hygiene, and I wish it, and all its branches, well in every way.

There is increasing need that the welfare of the children should be effectively safeguarded by governmental action; with the proviso, however, that this action shall be taken with knowledge and in a spirit of robust common sense; for philanthrophy, whether governmental or individual,

is a curse and not a blessing when marked by a spirit of foolish sentimentality and ignorance. Such governmental action is merely one inevitable result of the ever-increasing growth of our complex industrialism. Decade by decade, it becomes more and more necessary that, without sacrificing their individual independence, the people of this country shall recognize in more effective form their mutual interdependence, and the duty of safeguarding the interest of each in the ultimate interest of all. We have inherited and developed a superbly self-reliant individualism in this country. I most earnestly hope that it will not be lost, that it will never be exchanged for a deadening socialism. The only permanently beneficial way in which to help any one is to help him to help himself; if either private charity, or governmental action, or any form of social expression destroys the individual's power of self-help, the gravest possible wrong is really done to the individual. Nevertheless, as the conditions of life grow more complex, it is not possible to trust our welfare only to the unbridled individual initiative of each unit of our population working as that unit wills. We need laws for the care of our children which were not needed when this country was in its infancy. We need laws for the control of vast corporations such as were not needed when the individual fortunes were far smaller than at present, and when these fortunes were not combined for business use. In the same way we need to change our attitude toward labor problems from what that attitude was in the days when the great bulk of our people lived in the country with no more complex labor relations

than is implied in the connection between the farmer and the hired help.

For example, the great increase in mechanical and manufacturing operations means a corresponding increase in the number of accidents to the wage-workers employed therein, these including both preventable and inevitable accidents. To the ordinary wage-worker's family such a calamity means grim hardship. As the work is done for the employer, and therefore ultimately for the public, it is a bitter injustice that it should be the wage-worker himself and his wife and children who bear the whole penalty. Legislation should be had, alike from the Nation and from the States, not only to guard against the needless multiplication of these accidents, but to relieve the financial suffering due to them. Last winter Congress passed a safety-appliance law which marked a long stride in the right direction. But there should be additional legislation to secure pecuniary compensation to workmen suffering from accidents, and when they are killed, to their families. At present both in the sphere covered by National legislation, and in the sphere covered by State legislation, the law in too many cases leaves the financial burden of industrial accidents to be borne by the injured workmen and their families; and a workman who suffers from an accident either has no case at all for redress or else must undertake a suit for damages against his employer. The present practice is based on the view announced nearly seventy years ago that "principles of justice and good sense demand that a workman shall take upon himself all the ordinary risks of his occupation." In my

view, principles of justice and good sense demand the very reverse of this view, which experience has proved to be unsound and productive of widespread suffering. It is neither just, expedient, nor humane, it is revolting to judgment and sentiment alike, that the financial burden of accidents occurring because of the necessary exigencies of their daily occupations should be thrust upon those sufferers who are least able to bear it, and that such remedy as is theirs should only be obtained by litigation which now burdens our courts.

As a matter of fact there is no sound economic reason for distinction between accidents caused by negligence and those which are unavoidable, and the law should be such that the payment of those accidents will become automatic instead of being a matter for a lawsuit. Workmen should receive a certain definite and limited compensation for all accidents in industry, irrespective of negligence. When the employer, the agent of the public, on his own responsibility and for his own profit, in the business of serving the public, starts in motion agencies which create risks for others, he should take all the ordinary and extraordinary risks involved; and though the burden will at the moment be his, it will ultimately be assumed, as it ought to be, by the general public. Only in this way can the shock of the accident be diffused, for it will be transferred from employer to consumer, for whose benefit all industries are carried on. From every standpoint the change would be a benefit. The community at large should share the burden as well as the benefits of industry. Employers would thereby gain a desirable certainty of obligation and get

rid of litigation to determine it. The workman and the workman's family would be relieved from a crushing load.

The National Government should be a model employer. It should demand the highest quality of service from its employees and should care for them properly in return. Congress should adopt legislation providing limited but definite compensation for accidents to all workmen within the scope of the Federal power, including employees in navy-yards and arsenals. Similar legislation should follow throughout the States. The old and inadequate remedy of suit for negligence would then gradually disappear.

Such a policy would mean that with increased responsibility of the employer would come increased care, and accidents would be reduced in number. The temporary burden involved will not hamper our industries. Long experience of compensation laws in other countries has demonstrated their benefit. What we advocate is only a simple measure of justice, only one step toward the goal of securing, so far as human wisdom can secure, fair and equitable treatment for each and every one of our people.

As a corollary to the above let me point out the extreme unwisdom of the railway companies in fighting the constitutionality of the national employers' liability law. No law is more emphatically needed, and it must be kept on the statute books in drastic and thoroughgoing form. The railroads are prompt to demand the interference and to claim the protection of the Federal courts in times of riot and disorder; and in turn the Federal Government should see to it that they are not permitted successfully to plead that they

are under the Federal law when thereby their own rights can be protected, but outside of it when it is invoked against them in behalf of the rights of others. If it is proper for the Federal courts to issue injunctions in behalf of railroads, it is proper that railroads should be held to a strict liability for accidents occurring to their employees. There should be the plainest and most unequivocal additional statement, by enactment of Congress, to the effect that railroad employees are entitled to receive damages for any accident that comes to them as an incident of the performance of their duties, and the law should be such that it will be impossible for the railroads successfully to fight it without thereby forfeiting all right to the protection of the Federal Government under any circumstances. In the same way there should be rigid Federal legislation to minimize all railway accidents.

UTILIZING OUR NATURAL RESOURCES

ADDRESS DELIVERED BEFORE THE NATIONAL EDITORIAL ASSOCIATION IN JAMESTOWN, VIRGINIA, JUNE 10, 1907

It is of course a mere truism to say that no other body of our countrymen wield as extensive an influence as those who write for the daily press and for the periodicals. It is also a truism to say that such power implies the gravest responsibility, and the man exercising it should hold himself accountable, and should be held by others accountable, precisely as if he occupied any other position of public trust. I do not intend to dwell upon your duties to-day, however, save that I

shall permit myself to point out one matter where it seems to me that the need of our people is vital. It is essential that the man in public life and the man who writes in the public press shall both of them, if they are really good servants of the people, be prompt to assail wrong-doing and wickedness. But in thus assailing wrong-doing and wickedness, there are two conditions to be fulfilled, because if unfulfilled, harm and not good will result. In the first place, be sure of your facts and avoid everything like hysteria or exaggeration; for to assail a decent man for something of which he is innocent is to give aid and comfort to every scoundrel, while indulgent in hysterical exaggeration serves to weaken, not strengthen, the statement of truth. In the second place, be sure that you base your judgment on conduct and not on the social or economic position of the individual with whom you are dealing. There are good and bad men in every walk of life, and their being good or bad does not depend upon whether they have or do not have large bank accounts. Yet this elemental fact, this fact which we all accept as self-evident, when we think each of us of the people whom he himself knows in his business and social relations, is often completely ignored by certain public men and certain public writers. The men who thus ignore it and who attack wickedness only when found in a particular class are always unsafe, and are sometimes very dangerous, leaders. Distrust equally the man who is never able to discover any vices of rich men to attack and the man who confines himself to attacking the sins and shortcomings of rich men. It is a sure sign of moral and mental dishonesty

in any man if in his public assaults upon iniquity he is never able to see any iniquity save that of a particular class; and this whether he is able only to see the crimes of arrogance and oppression in the rich or the crimes of envy and violence in the poor. He is no true American if he is a respecter of persons where right and wrong are concerned and if he fails to denounce the demagogue no less than the corruptionist, to denounce alike crimes of organized greed and crimes of brutal violence. There is equal need to denounce the wealthy man who swindles investors or buys legislatures or oppresses wage-workers, and the needy man who inflames class hatred or incites mob violence. We need to hold the scales of justice even, and to weigh them down on one side is as bad as to weigh them down on the other.

So much for what I have to say to you in your capacity of molders and guides of public thought. In addition I want to speak to you on two great movements in our public life which I feel must necessarily occupy no inconsiderable part of the time of our public men in the near future. One of these is the question of, in certain ways, reshaping our system of taxation so as to make it bear most heavily on those most capable of supporting the strain. The other is the question of utilizing the natural resources of the Nation in the way that will be of most benefit to the Nation as a whole.

In utilizing and conserving the natural resources of the Nation, the one characteristic more essential than any other is foresight. Unfortunately, foresight is not usually characteristic of a young and vigorous people, and it is

obviously not a marked characteristic of us in the United States. Yet assuredly it should be the growing nation with a future which takes the long look ahead; and no other nation is growing so rapidly as ours or has a future so full of promise. No other nation enjoys so wonderful a measure of present prosperity which can of right be treated as an earnest of future success, and for no other are the rewards of foresight so great, so certain, and so easily foretold. Yet hitherto as a nation we have tended to live with an eye single to the present, and have permitted the reckless waste and destruction of much of our natural wealth.

The conservation of our natural resources and their proper use constitute the fundamental problem which underlies almost every other problem of our national life. Unless we maintain an adequate material basis for our civilization, we can not maintain the institutions in which we take so great and so just a pride; and to waste and destroy our natural resources means to undermine this material basis. During the last five years efforts have been made in several new directions in the Government service to get our people to look ahead, to exercise foresight, and to substitute a planned and orderly development of our resources in the place of a haphazard striving for immediate profit. The effort has been made through several agencies.

In 1902 the Reclamation Service began to develop the larger opportunities of the western half of our country for irrigation. The work includes all the States from the Great Plains through the Rocky Mountains to the Pacific Slope. It has been conducted with the clear

and definite purpose of using the valuable water resources of the public land for the greatest good for the greatest number in the long run; in other words, for the purpose of putting upon the land permanent home-makers who will use and develop it for themselves and for their children and children's children. There has been opposition, of course, to this work of the Reclamation Service; for we have been obliged to antagonize certain men whose interest it was to exhaust for their own temporary personal profit natural resources which ought to be developed through use, so as to be conserved for the permanent common advantage of the people as a whole. But there will be no halt in the work of preserving the waters which head in the Rocky Mountain region so as to make them of most use to the people as a whole; for the policy is essential to our national welfare.

The public lands of the United States should be utilized in similar fashion. Our present public land laws were passed when there was a vast surplus of vacant public land. The chief desire was to secure settlers thereon, and comparatively slight attention was paid as to exactly how the lands were disposed of in detail. In consequence, lax execution of the laws became the rule both in the land office and in the public mind, and land frauds were common and little noted. This was especially true when a system originally designed for the fertile and well-watered regions of the Middle West was applied to the dryer regions of the Great Plains and to the mountains and to the Pacific Coast. In these regions the system lent itself to fraud, and much land passed out of the hands of the

Government without passing into the hands of the home-maker. The Department of the Interior and the Department of Justice joined in prosecuting the offenders against the law; but both the law and its administration were defective and needed to be changed. Three years ago a Public Lands Commission was appointed to scrutinize the law and the facts and to recommend a remedy. Their examination specifically showed the existence of great frauds upon the public domain, and their recommendations for changes in the law were made with the design of conserving the natural resources of every part of the public land by putting it to its best use. Attention was especially called to the prevention of settlement by the passage of great areas of public lands into the hands of a few men, and to the enormous waste caused by unrestricted grazing on the open range; a system of using the natural forage on the public domain which amounts to putting a premium on its destruction. The recommendations of the Public Lands Commission were sound, for they were especially in the interests of the actual home-maker; and where the small home-maker could not utilize the land, it was provided that the Government should keep control of it so that it could not be monopolized by a few wealthy men. Congress has not yet acted upon these recommendations, except for the repeal of the iniquitous lieu-land law. But the recommendations are so just and proper, so essential to our national welfare, that I believe they will surely ultimately be adopted.

In 1891 Congress authorized the President to create national forests in the public domain. These forest reserves remained for a long time

in charge of the General Land Office, which had no men properly trained in forestry. But another department, that of Agriculture, possessed the trained men. In other words, the Government forests were without foresters and the Government foresters without forests. Waste of effort and waste of forests inevitably followed. Finally the situation was ended in 1905 by the creation of the United States Forest Service, which has stopped the waste, conserved the resources of the national forests, and made them useful; so that our forests are now being managed on a coherent plan, and in a way that augurs well for the future.

The mineral fuels of the eastern United States have already passed into the hands of large private owners, and those of the West are rapidly following. This should not be, for such mineral resources belong in a peculiar degree to the whole people. Under private control there is much waste from short-sighted methods of working, and the complete utilization is often sacrificed for a greater immediate profit. The mineral fuels under our present conditions are as essential to our prosperity as the forests will always be. The difference is that the supply is definitely limited, for coal does not grow and trees do. It is obvious that the mineral fuels should be conserved, not wasted, and that enough of them should remain in the hands of the Government to protect the people against unjust or extortionate prices so far as that can still be done. What has been accomplished in the regulation of the great oil fields of the Indian Territory offers a striking example of the good results of such a policy. Last summer, ac-

cordingly, I withdrew most of the coal-bearing public lands temporarily from disposal, and asked for the legislation necessary to protect the public interest by the conservation of the mineral fuels; that is, for the power to keep the fee in the Government and to lease the coal, oil, and gas rights under proper regulation. No such legislation was passed, but I still hope that we shall ultimately get it.

In addition to treating aright for the benefit of the whole people the forests and the mineral beds, we should similarly try to preserve for the benefit of all the people the great stretches of public domain, some three hundred million acres in all, which are unfit for cultivation by present methods and valuable only for the forage which they supply. This vast area is now open to the free grazing of cattle, sheep, horses, and goats, without restriction or regulation. When population has increased, as is now the case, such utter lack of management means that the public domain is turned over to be skinned by men whose only concern is to get what they can out of it at the moment, without any regard to whether or not it is ruined so far as the next generation is concerned. In other words, the range is not so much used as wasted by abuse; and as an incident conflict and bloodshed frequently arise between opposing users. With the rapid settling of the West the range is more and more over-grazed. Moreover, much of it can not be used to advantage unless it is fenced, for fencing is the only way by which to keep in check the absentee owners of nomad flocks which roam hither and thither, utterly destroying the pasturage and leaving a waste behind, so that

their presence is incompatible with the presence of home-makers. Good judges estimate that our public range has now lost nearly half its value, yet fencing is against the law, and as the law now stands it is wellnigh impossible to do anything to keep the value of the range. The only practical remedy is to give control of the range to the Federal Government. Such control would not only stop all conflict but would conserve the forage without stopping its use, as our experience with the National forests has fully proved. It would likewise secure to the West the great benefits of legitimate fencing without interfering in the slightest with the settlement of the country — on the contrary, while promoting the settlement of the country. Hitherto, however, it has not proved possible to get any legislation to secure these ends. The destruction of the public range will continue until, as a nation, we insist upon the enactment of some such laws as those I have advocated.

For several years we have been doing everything in our power to prevent fraud upon the public land. What can be done under the present laws is now being done through the joint action of the Interior Department and the Department of Justice. But fully to accomplish the prevention of fraud there is need of further legislation, and especially of a sufficient appropriation to permit the Department of the Interior to examine certain classes of entries on the ground before they pass into private ownership. The appropriation asked for last winter, if granted, would have put an end to the squandering of the public domain, while it would have prevented any need of causing hardship to in-

dividual settlers by holding up their claims. However, the appropriation was not given us, and in consequence it is not possible to secure, as I would like to secure, the natural resources of the public land from fraud, waste, and encroachment.

So much for what we are trying to do in utilizing our public lands for the public; in securing the use of the water, the forage, the coal, and the timber for the public. In all four movements my chief adviser, and the man first to suggest to me the courses which have actually proved so beneficial, was Mr. Gifford Pinchot, the chief of the National Forest Service. Mr. Pinchot also suggested to me a movement supplementary to all of these movements, one which will itself lead the way in the general movement which he represents and with which he is actively identified, for the conservation of all our natural resources. This was the appointment of the Inland Waterways Commission.

The inability of the railroads of the United States to meet the demands upon them has drawn public attention forcibly to the use of our waterways for transportation. But it is obvious that this is only one of their many uses, and that a planned and orderly development is impossible except by taking into account all the services they are capable of rendering. It was upon this ground that the Inland Waterways Commission was recently appointed. Their duty is to propose a comprehensive plan for the improvement and utilization of those great waterways which are the great potential highways of the country. Their duty is also to bring together the points of view of all users of streams,

and to submit a general plan for the development and conservation of the vast natural resources of the waterways of the United States. Clearly it is impossible for the Waterways Commission to accomplish its great task without considering the relation of streams to the conservation and use of all other natural resources, and I have asked that it do so. Here, then, for the first time, the orderly development and planned conservative use of all our natural resources is presented as a single problem. One by one the individual tasks in this great problem have already been undertaken. One by one in practical fashion the methods of dealing with them were worked out. National irrigation has proved itself a success by its actual working. Again, actual experience has shown that the national forests will fulfil the larger purpose for which they were created. All who have thoughtfully studied the subject have come to see that the solution of the public lands question lies with the home-maker, with the settler who lives on his land, and that Government control of the mineral fuels and the public grazing lands is necessary and inevitable. Each of these conclusions represented a movement of vast importance which would confer large benefits upon the Nation, but which stood by itself. They are connected together into one great fundamental problem — that of the conservation of all our natural resources. Upon the wise solution of this, much of our future obviously depends. Even such questions as the regulation of railway rates and the control of corporations are in reality subsidiary to the primal problem of the preservation in the interests of the whole people

of the resources that nature has given us. If we fail to solve this problem, no skill in solving the others will in the end avail us very greatly.

Now as to the matter of taxation. Most great civilized countries have an income tax and an inheritance tax. In my judgment both should be part of our system of Federal taxation. I speak diffidently about the income tax because one scheme for an income tax was declared unconstitutional by the Supreme Court by a five to four vote; and in addition it is a difficult tax to administer in its practical workings, and great care would have to be exercised to see that it was not evaded by the very man whom it is most desirable to have taxed, for if so evaded it would of course be worse than no tax at all, as the least desirable of all taxes is the tax which bears heavily upon the honest as compared with the dishonest man. Nevertheless, a graduated income tax of the proper type would be a desirable permanent feature of Federal taxation, and I still hope that one may be devised which the Supreme Court will declare constitutional.

In my judgment, however, the inheritance tax is both a far better method of taxation, and far more important for the purpose I have in view — the purpose of having the swollen fortunes of the country bear in proportion to their size a constantly increasing burden of taxation. These fortunes exist solely because of the protection given the owners by the public. They are a constant source of care and anxiety to the public, and it is eminently just that they should be forced to pay heavily for the protection given them. It is, of course, elementary

that the Nation has the absolute right to decide as to the terms upon which any man shall receive a bequest or devise from another. We have repeatedly placed such laws on our own statute books, and they have repeatedly been declared constitutional by the courts. I believe that the tax should contain the progressive principle. Whatever any individual receives, whether by gift, bequest, or devise, in life or in death, should, after a certain amount is reached, be increasingly burdened; and the rate of taxation should be increased in proportion to the remoteness of blood of the man receiving from the man giving or devising. The principle of this progressive taxation of inheritance has not only been authoritatively recognized by the legislation of Congress, but it is now unequivocally adopted in the leading civilized nations of the world — in, for instance, Great Britain, France and Germany. Switzerland led off with the imposition of high progressive rates. Great Britain was the first of the great nations to follow suit, and within the last few years both France and Germany have adopted the principle. In Great Britain all estates worth five thousand dollars or less are practically exempt from death duties, while the increase is such that when an estate exceeds five millions of dollars in value and passes to a distant kinsman or stranger in blood, the Government receives nearly eighteen per cent. In France, under the progressive system, so much of an inheritance as exceeds ten millions of dollars pays over twenty per cent to the State if it passes to a distant relative, and five per cent if it passes to a direct heir. In Germany very small inheritances are exempt, but

the tax is so sharply progressive that an inheritance not in agricultural or forest lands which exceeds two hundred and fifty thousand dollars, if it goes to distant relatives, is taxed at the rate of about twenty-five per cent. The German law is of special interest because it makes the inheritance tax an imperial measure, while allotting to the individual states of the Empire a portion of the proceeds and permitting them to impose taxes in addition to those imposed by the Imperial Government. In the United States the National Government has more than once imposed inheritance taxes in addition to those imposed by the States, and in the last instance about one-half of the States levied such taxes concurrently with the National Government, making a combined maximum rate in some cases as high as twenty-five per cent; and, as a matter of fact, several States adopted inheritance tax laws for the first time while the National law was still in force and unrepealed. The French law has one feature which is to be heartily commended. The progressive principle is so applied that each higher rate is imposed only on the excess above the amount subject to the next lower rate. This plan is peculiarly adapted to the working out of the theory of using the inheritance tax for the purpose of limiting the size of inheritable fortunes, since the progressive increase in the rates, according to this mode, may be carried to its logical conclusion in a maximum rate of nearly one hundred per cent for the amount in excess of a specified sum, without being confiscatory as to the rest of the inheritance; for each increase in rate would apply only to the amount above a

certain maximum. I do not believe that any advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of such enormous fortunes as have been accumulated in America. The tax could be made to bear more heavily upon persons residing out of the country than upon those residing within it. Such a heavy progressive tax is, of course, in no shape or way a tax on thrift or industry, for thrift and industry have ceased to possess any measurable importance in the acquisition of the swollen fortunes of which I speak long before the tax would in any way seriously affect them. Such a tax would be one of the methods by which we should try to preserve a measurable equality of opportunity for the people of the generation growing to manhood. As Lincoln pointed out, there are some respects in which men are obviously not equal; but there is no reason why there should not be an equality of self-respect and of mutual respect, an equality of rights before the law, and at least an approximate equality in the conditions under which each man obtains the chance to show the stuff that is in him when compared with his fellows.

"THERE WILL BE NO CHANGE IN POLICY."

FROM ADDRESS DELIVERED IN PROVINCETOWN, MASSACHUSETTS, AT THE LAYING OF THE CORNER-STONE OF THE PILGRIM MEMORIAL MONUMENT, AUGUST 20, 1907

THE Puritan owed his extraordinary success in subduing this continent and making it the foundation for a social life of ordered liberty primarily to the fact that he combined in a very remarkable degree both the power of individual initiative, of individual self-help, and the power of acting in combination with his fellows; and that furthermore he joined to a high heart that shrewd common sense which saves a man from the besetting sins of the visionary and the doctrinaire. He was stout hearted and hard headed. He had lofty purposes, but he had practical good sense, too. He could hold his own in the rough workaday world without clamorous insistence upon being helped by others, and yet he could combine with others whenever it became necessary to do a job which could not be as well done by any one man individually.

These were the qualities which enabled him to do his work, and they are the very qualities which we must show in doing our work to-day. There is no use in our coming here to pay homage to the men who founded this nation unless we first of all come in the spirit of trying to do our work to-day as they did their work in the yesterdays that have vanished. The problems shift from generation to generation, but

the spirit in which they must be approached, if they are to be successfully solved, remains ever the same. The Puritan tamed the wilderness, and built up a free government on the stump-dotted clearings amid the primeval forest. His descendants must try to shape the life of our complex industrial civilization by new devices, by new methods, so as to achieve in the end the same results of justice and fair dealing toward all. He cast aside nothing old merely for the sake of innovation, yet he did not hesitate to adopt anything new that would serve his purpose. When he planted his commonwealths on this rugged coast he faced wholly new conditions and he had to devise new methods of meeting them. So we of to-day face wholly new conditions in our social and industrial life. We should certainly not adopt any new scheme for grappling with them merely because it is new and untried; but we can not afford to shrink from grappling with them because they can only be grappled with by some new scheme.

The Puritan was no Laodicean, no *laissez-faire* theorist. When he saw conduct which was in violation of his rights — of the rights of man, the rights of God, as he understood them — he attempted to regulate such conduct with instant, unquestioning promptness and effectiveness. If there was no other way to secure conformity with the rule of right, then he smote down the transgressor with the iron of his wrath. The spirit of the Puritan was a spirit which never shrank from regulation of conduct if such regulation was necessary for the public weal; and this is the spirit which we must show to-day whenever it is necessary.

The utterly changed conditions of our national life necessitates changes in certain of our laws, of our governmental methods. Our federal system of government is based upon the theory of leaving to each community, to each State, the control over those things which affect only its own members and which the people of the locality themselves can best grapple with, while providing for national regulation in those matters which necessarily affect the nation as a whole. It seems to me that such questions as national sovereignty and State's rights need to be treated not empirically or academically, but from the standpoint of the interests of the people as a whole. National sovereignty is to be upheld in so far as it means the sovereignty of the people used for the real and ultimate good of the people; and State's rights are to be upheld in so far as they mean the people's rights. Especially is this true in dealing with the relations of the people as a whole to the great corporations which are the distinguishing feature of modern business conditions.

Experience has shown that it is necessary to exercise a far more efficient control than at present over the business use of those vast fortunes, chiefly corporate, which are used (as under modern conditions they almost invariably are) in interstate business. When the Constitution was created none of the conditions of modern business existed. They are wholly new and we must create new agencies to deal effectively with them. There is no objection in the minds of this people to any man's earning any amount of money if he does it honestly and fairly, if he gets it as the result of special skill and enter-

prise, as a reward of ample service actually rendered. But there is a growing determination that no man shall amass a great fortune by special privilege, by chicanery and wrong-doing, so far as it is in the power of legislation to prevent; and that a fortune, however amassed, shall not have a business use that is antisocial. Most large corporations do a business that is not confined to any one State. Experience has shown that the effort to control these corporations by mere State action can not produce wholesome results. In most cases such effort fails to correct the real abuses of which the corporation is or may be guilty; while in other cases the effort is apt to cause either hardship to the corporation itself, or else hardship to neighboring States which have not tried to grapple with the problem in the same manner; and of course we must be as scrupulous to safeguard the rights of the corporations as to exact from them in return a full measure of justice to the public. I believe in a national incorporation law for corporations engaged in interstate business. I believe, furthermore, that the need for action is most pressing as regards those corporations which, because they are common carriers, exercise a quasi-public function; and which can be completely controlled, in all respects, by the Federal Government, by the exercise of the power conferred under the interstate commerce clause, and, if necessary, under the post-road clause, of the Constitution. During the last few years we have taken marked strides in advance along the road of proper regulation of these railroad corporations; but we must not stop in the work. The National Government should exercise over them a similar su-

pervision and control to that which is exercised over national banks. We can do this only by proceeding farther along the lines marked out by the recent national legislation.

In dealing with any totally new set of conditions there must at the outset be hesitation and experiment. Such has been our experience in dealing with the enormous concentration of capital employed in interstate business. Not only the legislatures but the courts and the people need gradually to be educated so that they may see what the real wrongs are and what the real remedies. Almost every big business concern is engaged in interstate commerce, and such a concern must not be allowed by a dextrous shifting of position, as has been too often the case in the past, to escape thereby all responsibility either to State or nation. The American people became firmly convinced of the need of control over these great aggregations of capital, especially where they had a monopolistic tendency, before they became quite clear as to the proper way of achieving the control. Through their representatives in Congress they tried two remedies, which were to a large degree, at least as interpreted by the courts, contradictory. On the one hand, under the antitrust law the effort was made to prohibit all combination, whether it was or was not hurtful or beneficial to the public. On the other hand, through the interstate commerce law a beginning was made in exercising such supervision and control over combinations as to prevent their doing anything harmful to the body politic. The first law, the so-called Sherman law, has filled a useful place, for it bridges over the transition period until the American

people shall definitely make up its mind that it will exercise over the great corporations that thoroughgoing and radical control which it is certain ultimately to find necessary. The principle of the Sherman law so far as it prohibits combinations which, whether because of their extent or of their character, are harmful to the public must always be preserved. Ultimately, and I hope with reasonable speed, the National Government must pass laws which, while increasing the supervisory and regulatory power of the Government, also permits such useful combinations as are made with absolute openness and as the representatives of the Government may previously approve. But it will not be possible to permit such combinations save as the second stage in a course of proceedings of which the first stage must be the exercise of a far more complete control by the National Government.

In dealing with those who offend against the antitrust and interstate commerce laws the Department of Justice has to encounter many and great difficulties. Often men who have been guilty of violating these laws have really acted in criminal fashion, and if possible should be proceeded against criminally; and therefore it is advisable that there should be a clause in these laws providing for such criminal action and for punishment by imprisonment as well as by fine. But, as is well known, in a criminal action the law is strictly construed in favor of the defendant, and in our country, at least, both judge and jury are far more inclined to consider his rights than they are the interests of the general public; while in addition it is always true that a man's general practices may be so bad that a

civil action will lie when it may not be possible to convict him of any one criminal act. There are unfortunately a certain number of our fellow-countrymen who seem to accept the view that unless a man can be proved guilty of some particular crime he shall be counted a good citizen, no matter how infamous the life he has led, no matter how pernicious his doctrines or his practices. This is the view announced from time to time with clamorous insistence, now by a group of predatory capitalists, now by a group of sinister anarchistic leaders and agitators, whenever a special champion of either class, no matter how evil his general life, is acquitted of some one specific crime. Such a view is wicked whether applied to capitalist or labor leader, to rich man or poor man. (And by the way, I take this opportunity of stating that all that I have said in the past as to desirable and undesirable citizens remains true, and that I stand by it.)

We have to take this feeling into account when we are debating whether it is possible to get a conviction in a criminal proceeding against some rich trust magnate, many of whose actions are severely to be condemned from the moral and social standpoint, but no one of whose actions seems clearly to establish such technical guilt as will ensure a conviction. As a matter of expediency, in enforcing the law against a great corporation, we have continually to weigh the arguments pro and con as to whether a prosecution can successfully be entered into, and as to whether we can be successful in a criminal action against the chief individuals in the corporation, and if not, whether we can at least be

successful in a civil action against the corporation itself. Any effective action on the part of the Government is always objected to, as a matter of course, by the wrong-doers, by the beneficiaries of the wrong-doers, and by their champions; and often one of the most effective ways of attacking the action of the Government is by objecting to practical action upon the ground that it does not go far enough. One of the favorite devices of those who are really striving to prevent the enforcement of these laws is to clamor for action of such severity that it can not be undertaken because it will be certain to fail if tried. An instance of this is the demand often made for criminal prosecutions where such prosecutions would be certain to fail. We have found by actual experience that a jury which will gladly punish a corporation by fine, for instance, will acquit the individual members of that corporation if we proceed against them criminally because of those very things which the corporation which they direct and control has done. In a recent case against the Licorice Trust we indicted and tried the two corporations and their respective presidents. The contracts and other transactions establishing the guilt of the corporations were made through, and so far as they were in writing were signed by, the two presidents. Yet the jury convicted the two corporations and acquitted the two men. Both verdicts could not possibly have been correct; but apparently the average juryman wishes to see trusts broken up, and is quite ready to fine the corporation itself; but is very reluctant to find the facts "proven beyond a reasonable doubt" when it comes to

sending to jail a reputable member of the business community for doing what the business community has unhappily grown to recognize as wellnigh normal in business. Moreover, under the necessary technicalities of criminal proceedings, often the only man who can be reached criminally will be some subordinate who is not the real guilty party at all.

Many men of large wealth have been guilty of conduct which from the moral standpoint is criminal, and their misdeeds are to a peculiar degree reprehensible, because those committing them have no excuse of want, of poverty, of weakness and ignorance to offer as partial atonement. When in addition to moral responsibility these men have a legal responsibility which can be proved so as to impress a judge and jury, then the Department will strain every nerve to reach them criminally. Where this is impossible, then it will take whatever action will be most effective under the actual conditions.

In the last six years we have shown that there is no individual and no corporation so powerful that he or it stands above the possibility of punishment under the law. Our aim is to try to do something effective; our purpose is to stamp out the evil; we shall seek to find the most effective device for this purpose; and we shall then use it, whether the device can be found in existing law or must be supplied by legislation. Moreover, when we thus take action against the wealth which works iniquity, we are acting in the interest of every man of property who acts decently and fairly by his fellows; and we are strengthening the hands of those who propose fearlessly to defend property against all unjust

attacks. No individual, no corporation, obeying the law has anything to fear from this Administration.

During the present trouble with the stock market I have, of course, received countless requests and suggestions, public and private, that I should say or do something to ease the situation. There is a world-wide financial disturbance; it is felt in the bourses of Paris and Berlin; and British consols are lower than for a generation, while British railway securities have also depreciated. On the New York Stock Exchange the disturbance has been peculiarly severe. Most of it I believe to be due to matters not peculiar to the United States, and most of the remainder to matters wholly unconnected with any governmental action; but it may well be that the determination of the Government (in which, gentlemen, it will not waver) to punish certain malefactors of great wealth has been responsible for something of the trouble; at least to the extent of having caused these men to combine to bring about as much financial stress as possible, in order to discredit the policy of the Government and thereby secure a reversal of that policy, so that they may enjoy unmolested the fruits of their own evil-doing. That they have misled many good people into believing that there should be such reversal of policy is possible. If so I am sorry; but it will not alter my attitude. Once for all let me say that so far as I am concerned, and for the eighteen months of my Presidency that remain, there will be no change in the policy we have steadily pursued, no let up in the effort to secure the honest

observance of the law; for I regard this contest as one to determine who shall rule this free country — the people through their governmental agents, or a few ruthless and domineering men whose wealth makes them peculiarly formidable because they hide behind the breastworks of corporate organization. I wish there to be no mistake on this point; it is idle to ask me not to prosecute criminals, rich or poor. But I desire no less emphatically to have it understood that we have sanctioned and will sanction no action of a vindictive type, and above all no action which shall inflict great and unmerited suffering upon innocent stockholders or upon the public as a whole. Our purpose is to act with the minimum of harshness compatible with attaining our ends. In the man of great wealth who has earned his wealth honestly and uses it wisely we recognize a good citizen of the best type, worthy of all praise and respect. Business can be done under modern conditions only through corporations, and our purpose is heartily to favor the corporations that do well. The Administration appreciates that liberal but honest profits for legitimate promoting, good salaries, ample salaries, for able and upright management, and generous dividends for capital employed either in founding or continuing wholesome business ventures, are the factors necessary for successful corporate activity and therefore for generally prosperous business conditions. All these are compatible with fair dealing as between man and man and rigid obedience to the law. Our aim is to help every honest man, every honest corporation, and our policy means in its

ultimate analysis a healthy and prosperous expansion of the business activities of honest business men and honest corporations.

I very earnestly hope that the legislation which deals with the regulation of corporations engaged in interstate business will also deal with the rights and interests of the wage-workers employed by those corporations. Action was taken by the Congress last year limiting the number of hours that railway employees should be employed. The law is a good one; but if in practice it proves necessary to strengthen it, it must be strengthened. We have now secured a national employers' liability law; but ultimately a more far-reaching and thoroughgoing law must be passed. It is monstrous that a man or woman who is crippled in an industry, even as the result of taking what are the necessary risks of the occupation, should be required to bear the whole burden of the loss. That burden should be distributed and not placed solely upon the weakest individual, the one least able to carry it. By making the employer liable the loss will ultimately be distributed among all the beneficiaries of the business.

I also hope that there will be legislation increasing the power of the National Government to deal with certain matters concerning the health of our people everywhere; the Federal authorities, for instance, should join with all the State authorities in warring against the dreadful scourge of tuberculosis. Your own State government, here in Massachusetts, deserves high praise for the action it has taken in these public health matters during the last few years; and in this, as in some other matters, I hope to see

the National Government stand abreast of the foremost State governments.

I have spoken of but one or two laws which, in my judgment, it is advisable to enact as part of the general scheme for making the interference of the National Government more effective in securing justice and fair dealing as between man and man here in the United States. Let me add, however, that while it is necessary to have legislation when conditions arise where we can only cope with evils through the joint action of all of us, yet that we can never afford to forget that in the last analysis the all-important factor for each of us must be his own individual character. It is a necessary thing to have good laws, good institutions; but the most necessary of all things is to have a high quality of individual citizenship. This does not mean that we can afford to neglect legislation. It will be highly disastrous if we permit ourselves to be misled by the pleas of those who see in an unrestricted individualism the all-sufficient panacea for social evils; but it will be even more disastrous to adopt the opposite panacea of any socialistic system which would destroy all individualism, which would root out the fibre of our whole citizenship. In any great movement, such as that in which we are engaged, nothing is more necessary than sanity, than the refusal to be led into extremes by the advocates of the ultra course on either side. Those professed friends of liberty who champion license are the worst foes of liberty and tend by the reaction their violence causes to throw the Government back into the hands of the men who champion corruption and tyranny in the name of order.

So it is with this movement for securing justice toward all men, and equality of opportunity so far as it can be secured by governmental action. The rich man who with hard arrogance declines to consider the rights and the needs of those who are less well off, and the poor man who excites or indulges in envy and hatred of those who are better off, are alike alien to the spirit of our national life. Each of them should learn to appreciate the baseness and degradation of his point of view, as evil in the one case as in the other. There exists no more sordid and unlovely type of social development than a plutocracy, for there is a peculiar unwholesomeness in a social and governmental ideal where wealth by and of itself is held up as the greatest good. The materialism of such a view, whether it finds its expression in the life of a man who accumulates a vast fortune in ways that are repugnant to every instinct of generosity and of fair dealing, or whether it finds its expression in the vapidly useless and self-indulgent life of the inheritor of that fortune, is contemptible in the eyes of all men capable of a thrill of lofty feeling. Where the power of the law can be wisely used to prevent or to minimize the acquisition or business employment of such wealth and to make it pay by income or inheritance tax its proper share of the burden of government, I would invoke that power without a moment's hesitation.

JUSTICE TO AND JUSTICE FROM THE RICH

FROM AN ADDRESS DELIVERED IN CANTON, OHIO, AT THE UNVEILING OF A MONUMENT IN MEMORY OF PRESIDENT MCKINLEY, SEPTEMBER 30, 1907

MANY lessons are taught us by his career, but none more valuable than the lesson of broad human sympathy for and among all of our citizens of all classes and creeds. No other President has ever more deserved to have his life work characterized in Lincoln's words as being carried on "with malice toward none, with charity toward all." As a boy he worked hard with his hands; he entered the Army as a private soldier; he knew poverty; he earned his own livelihood; and by his own exertions he finally rose to the position of a man of moderate means. Not merely was he in personal touch with farmer and town dweller, with capitalist and wage-worker, but he felt an intimate understanding of each, and therefore an intimate sympathy with each; and his consistent effort was to try to judge all by the same standard and to treat all with the same justice. Arrogance toward the weak, and envious hatred of those well off, were equally abhorrent to his just and gentle soul.

Surely this attitude of his should be the attitude of all our people to-day. It would be a cruel disaster to this country to permit ourselves to adopt an attitude of hatred and envy toward success worthily won, toward wealth honestly acquired. Let us in this respect profit

by the example of the republics of this Western Hemisphere to the south of us. Some of these republics have prospered greatly; but there are certain ones that have lagged far behind, that still continue in a condition of material poverty, of social and political unrest and confusion. Without exception the republics of the former class are those in which honest industry has been assured of reward and protection; those where a cordial welcome has been extended to the kind of enterprise which benefits the whole country, while incidentally, as is right and proper, giving substantial rewards to those who manifest it. On the other hand, the poor and backward republics, the republics in which the lot of the average citizen is least desirable, and the lot of the laboring man worst of all, are precisely those republics in which industry has been killed because wealth exposed its owner to spoliation. To these communities foreign capital now rarely comes, because it has been found that as soon as capital is employed so as to give substantial remuneration to those supplying it, it excites ignorant envy and hostility, which result in such oppressive action, within or without the law, as sooner or later to work a virtual confiscation. Every manifestation of feeling of this kind in our civilization should be crushed at the outset by the weight of a sensible public opinion.

From the standpoint of our material prosperity there is only one other thing as important as the discouragement of a spirit of envy and hostility toward honest business men, toward honest men of means; this is the discouragement of dishonest business men. [Great applause.]

Wait a moment; I don't want you to applaud

this part unless you are willing to applaud also the part I read first, to which you listened in silence. [Laughter and applause.] I want you to understand that I will stand just as straight for the rights of the honest man who wins his fortune by honest methods as I will stand against the dishonest man who wins a fortune by dishonest methods. And I challenge the right to your support in one attitude just as much as in the other. I am glad you applauded when you did, but I want you to go back now and applaud the other statement. I will read a little of it over again. "Every manifestation of ignorant envy and hostility toward honest men who acquire wealth by honest means should be crushed at the outset by the weight of a sensible public opinion." [Tremendous applause.] Thank you. Now I'll go on.

From the standpoint of our material prosperity there is only one other thing as important as the discouragement of a spirit of envy and hostility toward honest business men, toward honest men of means, and that is the discouragement of dishonest business men, the war upon the chicanery and wrong-doing which are peculiarly repulsive, peculiarly noxious when exhibited by men who have no excuse of want, of poverty, of ignorance for their crimes. My friends, I will wage war against those dishonest men to the utmost extent of my ability, and I will stand no less stoutly in defence of honest men, rich or poor. Men of means and, above all, men of great wealth can exist in safety under the peaceful protection of the state only in orderly societies, where liberty manifests itself through and under the law. That is what you fought for,

you veterans. You fought for the supremacy of the national law in every corner of this Republic. It is these men, the men of wealth, who more than any others should in the interest of the class to which they belong, in the interest of their children and their children's children, seek in every way, but especially in the conduct of their lives, to insist upon and to build up respect for the law. It is an extraordinary thing, a very extraordinary thing, that it should be necessary for me to utter as simple a truth as that; yet it is necessary. It may not be true from the standpoint of some particular individual of this class of very wealthy men, but in the long run it is pre-eminently true from the standpoint of the class as a whole, no less than of the country as a whole, that it is a veritable calamity to achieve a temporary triumph by violation or evasion of the law, and we are the best friends of the man of property, we show ourselves the stanchest upholders of the rights of property, when we set our faces like flint against those offenders who do wrong in order to acquire great wealth, or who use this wealth as a help to wrong-doing.

I sometimes feel that I have trenched a little on your province, Brother Bristol, and on that of your brethren, by preaching. But whenever I speak of the wrong-doing of a man of wealth or of a man of poverty, poor man or rich man, I always want to try to couple together the fact that wrong-doing is wrong just as much in one case as in the other, with the fact that right is just as much right in one case as in the other. I want the plain people of this country, I want all of us who do not have great wealth,

to remember that in our own interest, and because it is right, we must be just as scrupulous in doing justice to the man of great wealth as in exacting justice from him.

Wrong-doing is confined to no class. Good and evil are to be found among both rich and poor, and in drawing the line among our fellows we must draw it on conduct and not on worldly possessions. Woe to this country if we ever get to judging men by anything save their worth as men, without regard to their fortune in life. In other words, my plea is that you draw the line on conduct and not on worldly possessions. In the abstract most of us will admit this. It is a rather more difficult proposition in the concrete. We can act upon such doctrines only if we really have knowledge of, and sympathy with, one another. If both the wage-worker and the capitalist are able to enter each into the other's life, to meet him so as to get into genuine sympathy with him, most of the misunderstanding between them will disappear and its place will be taken by a judgment broader, juster, more kindly, and more generous; for each will find in the other the same essential human attributes that exist in himself. It was President McKinley's peculiar glory that in actual practice he realized this as it is given to but few men to realize it; that his broad and deep sympathies made him feel a genuine sense of oneness with all his fellow-Americans, whatever their station or work in life, so that to his soul they were all joined with him in a great brotherly democracy of the spirit. It is not given to many of us in our lives actually to realize this attitude to the extent that he did; but we can at least have it before us as the goal

of our endeavor, and by so doing we shall pay honor better than in any other way to the memory of the dead President whose services in life we this day commemorate.

ENFORCEMENT OF LAW AGAINST CORPORATIONS

FROM AN ADDRESS DELIVERED IN KEOKUK, IOWA, OCTOBER 1, 1907

MEN AND WOMEN OF IOWA:

I AM glad indeed to see you and to speak to you in this thriving city of your great and prosperous State. I believe with all my heart in the people of Iowa, for I think that you are good, typical Americans, and that among you there has been developed to a very high degree that body of characteristics which we like to regard as distinctly American.

During the last few years we of the United States have been forced to consider very seriously certain economic problems. We have made a beginning in the attempt to deal with the relations of the National Government — that is, with the relations of the people of the country — to the huge and wealthy corporations, controlled for the most part by a few very rich men, which are engaged in interstate business — especially the great railway corporations. You know my views on this matter. You know that I believe that the National Government, in the interests of the people, should assume much the same supervision and control over the management of the interstate common carriers that it now exercises over the national banks. You know fur-

thermore that I believe that this supervision and control should be exercised in a spirit of rigid fairness toward the corporations, exacting justice from them on behalf of the people but giving them justice in return.

Recently I have been reading the work of the eminent Italian scholar Ferrero on the history of the Roman Republic, when the life of the Roman state had become that of a complex and luxurious industrial civilization. I am happy to say that the differences between that civilization and our own are more striking than the resemblances; and there is no warrant for our being drawn into any pessimistic comparison between the two civilizations. But there is every reason why we should study carefully the past in order to draw from it lessons for use in the present. One of the most striking features of the years which saw the downfall of the Roman Republic was the fact that the political life of Rome became split between two camps, one containing the rich who wished to exploit the poor, and the other the poor who wished to plunder the rich. Naturally, under such circumstances, the public man who was for the moment successful tended to be either a violent reactionary or a violent demagogue. Any such condition of political life is as hopelessly unhealthy now as it was then. I believe so implicitly in the future of our people because I believe that the average American citizen will no more tolerate government by a mob than he will tolerate government by a plutocracy; that he desires to see justice done to and justice exacted from rich man and poor man alike. We are not trying to favor any man at the expense of his fellows. We are try-

ing to shape things so that as far as possible each man shall have a fair chance in life; so that he shall have, so far as by law this can be accomplished, the chance to show the stuff that there is in him. We have no intention of trying to work for the impossible and undesirable end of giving to the lazy, the thriftless, the weak and the vicious the reward that belongs to, and in the long run can only come to, the hard working, the thrifty, the resolute and the honest. But we do wish to see that the necessary struggle in life shall be carried on under genuinely democratic conditions; that, so far as human action can safely provide it, there shall be an approximately fair start; that there shall be no oppression of the weak, and that no man shall be permitted to acquire or to use a vast fortune by methods or in ways that are tortuous and dishonest.

Therefore we need wise laws, and we need to have them resolutely administered. We can get such laws and such administration only if the people are alive to their interests. The other day I listened to an admirable sermon by Bishop Johnston of western Texas. His theme was that the vital element in judging any man should be his conduct, and neither his position nor his pretensions; and, furthermore, that freedom could only stay with a people which has the habit of self-mastery. As he said, the price of liberty is not only eternal vigilance, but eternal virtue; and, I may add, eternal common sense. Each man here knows that he himself has been able to use his freedom to advantage only provided that he could master himself, that he could control his own passions and direct his own faculties.

Each of you fathers and mothers here knows that if your sons are to do well in the world they must know how to master themselves. Every man must have a master; if he is not his own master, then somebody else will be. This is just as true of public life as of private life. If we can not master ourselves, control ourselves, then sooner or later we shall have to submit to outside control; for there must be control somewhere.

One way of exercising such control is through the laws of the land. Ours is a government of liberty, but it is a government of that orderly liberty which comes by and through the honest enforcement of and obedience to the law. At intervals during the last few months the appeal has been made to me not to enforce the law against certain wrong-doers of great wealth because to do so would interfere with the business prosperity of the country. Under the effects of that kind of fright which when sufficiently accute we call panic, this appeal has been made to me even by men who ordinarily behave as decent citizens. One newspaper which has itself strongly advanced this view gave prominence to the statement of a certain man of great wealth to the effect that the so-called financial weakness "was due entirely to the admitted intention of President Roosevelt to punish the large moneyed interests which had transgressed the laws." I do not admit that this has been the main cause of any business troubles we have had; but it is possible that it has been a contributory cause. If so, friends, as far as I am concerned it must be accepted as a disagreeable but unavoidable feature in a course of policy which as long as

I am President will not be changed. In any great movement for righteousness, where the forces of evil are strongly intrenched, it is unfortunately inevitable that some unoffending people should suffer in company with the real offenders. This is not our fault. It is the fault of those to whose deceptive action these innocent people owe their false position. A year or two ago certain representatives of labor called upon me and in the course of a very pleasant conversation told me that they regarded me as "the friend of labor." I answered that I certainly was, and that I would do everything in my power for the laboring man *except anything that was wrong*. I have the same answer to make to the business man. I will do everything I can do to help business conditions, except anything that is wrong. And it would be not merely wrong but infamous to fail to do all that can be done to secure the punishment of those wrongdoers whose deeds are peculiarly reprehensible because they are not committed under the stress of want. Whenever a serious effort is made to cut out what is evil in our political life, whether the effort takes the shape of warring against the gross and sordid forms of evil in some municipality, or whether it takes the shape of trying to secure the honest enforcement of the law as against very powerful and wealthy people, there are sure to be certain individuals who demand that the movement stop because it may hurt business. In each case the answer must be that we earnestly hope and believe that there will be no permanent damage to business from the movement, but that if righteousness conflicts with the fancied needs of business, then the latter must

go to the wall. We can not afford to substitute any other test for that of guilt or innocence, of wrong-doing or well-doing, in judging any man. If a man does well, if he acts honestly, he has nothing to fear from this Administration. But so far as in me lies the corrupt politician, great or small, the private citizen who transgresses the law — be he rich or poor — shall be brought before the impartial justice of a court. Perhaps I am most anxious to get at the politician who is corrupt, because he betrays a great trust; but assuredly I shall not spare his brother corruptionist who shows himself a swindler in business life; and, according to our power, crimes of fraud and cunning shall be prosecuted as relentlessly as crimes of brutality and physical violence.

We need good laws and we need above all things the hearty aid of good citizens in supporting and enforcing the laws. Nevertheless, men and women of this great State, men and women of the Middle West, never forget that law and the administration of law, important though they are, must always occupy a wholly secondary place as compared with the character of the average citizen himself. . . .

INDUSTRIAL PROBLEMS OF THE WEST

FROM AN ADDRESS DELIVERED IN KEOKUK, IOWA, OCTOBER 1, 1907

Since I have been President I have traveled in every State of this Union, but my traveling has been almost entirely on railroads, save now and then by wagon or on horseback. Now I have the chance to try traveling by river; to go

down the greatest of our rivers, the Father of Waters. A good many years ago when I lived in the Northwest I traveled occasionally on the Upper Missouri and its tributaries; but then we went in a flatboat and did our own rowing and paddling and poling. Now I am to try a steamboat. I am a great believer in our railway system; and the fact that I am very firm in my belief as to the necessity of the Government exercising a proper supervision and control over the railroads does not in the least interfere with the other fact that I greatly admire the large majority of the men in all positions, from the top to the bottom, who build and run them. Yet, while of course I am anxious to see these men, and therefore the corporations they represent or serve, achieve the fullest measure of legitimate prosperity, nevertheless as this country grows I feel that we can not have too many highroads, and that in addition to the iron highroads of our railway system we should also utilize the great river highways which have been given us by nature. From a variety of causes these highways have in many parts of the country been almost abandoned. This is not healthy. Our people, and especially the representatives of the people in the National Congress, should give their most careful attention to this subject. We should be prepared to put the Nation collectively back of the movement to improve them for the Nation's use. Our knowledge at this time is not such as to permit me to go into details, or to say definitely just what the Nation should do; but most assuredly our great navigable rivers are national assets just as much as our great seacoast harbors. Exactly as it is for the

interest of all the country that our great harbors should be fitted to receive in safety the largest vessels of the merchant fleets of the world, so by deepening and otherwise our rivers should be fitted to bear their part in the movement of our merchandise; and this is especially true of the Mississippi and its tributaries, which drain the immense and prosperous region which makes in very fact the heart of our Nation; the basin of the Great Lakes being already united with the basin of the Mississippi, and both regions being identical in their products and interests. Waterways are peculiarly fitted for the transportation of the bulky commodities which come from the soil or under the soil; and no other part of our country is as fruitful as is this in such commodities.

You in Iowa have many manufacturing centres, but you remain, and I hope you will always remain, a great agricultural State. I hope that the means of transporting your commodities to market will be steadily improved; but this will be of no use unless you keep producing the commodities, and in the long run this will largely depend upon your being able to keep on the farm a high type of citizenship. The effort must be to make farm life not only remunerative but attractive, so that the best young men and girls will feel inclined to stay on the farm and not to go to the city. Nothing is more important to this country than the perpetuation of our system of medium-sized farms worked by their owners. We do not want to see our farmers sink to the condition of the peasants of the Old World, barely able to live on their small holdings, nor do we want to see their places

taken by wealthy men owning enormous estates which they work purely by tenants and hired servants.

At present the ordinary farmer holds his own in the land as against any possible representative of the landlord class of farmer — that is, of the men who would own vast estates — because the ordinary farmer unites his capital, his labor, and his brains with the making of a permanent family home, and thus can afford to hold his land at a value at which it can not be held by the capitalist, who would have to run it by leasing it or cultivating it at arm's length with hired labor. In other words, the typical American farmer of to-day gets his remuneration in part in the shape of an independent home for his family, and this gives him an advantage over an absentee landlord. Now, from the standpoint of the Nation as a whole it is pre-eminently desirable to keep as one of our chief American types the farmer, the farm home-maker, of the medium-sized farm. This type of farm home is one of our strongest political and social bulwarks. Such a farm worked by the owner has proved by experience the best place in which to breed vigorous leaders alike for country and city. It is a matter of prime economic and civic importance to encourage this type of home-owning farmer.

Therefore, we should strive in every way to aid in the education of the farmer for the farm, and should shape our school system with this end in view; and so vitally important is this that, in my opinion, the Federal Government should co-operate with the State governments to secure the needed change and improvement in our

schools. It is significant that both from Minnesota and Georgia there have come proposals in this direction in the appearance of bills introduced into the National Congress. The Congressional land grant act of 1852 accomplished much in establishing the agricultural colleges in the several States, and therefore in preparing to turn the system of educational training for the young into channels at once broader and more practicable — and what I am saying about agricultural training really applies to all industrial training. But the colleges can not reach the masses, and it is essential that the masses should be reached. Such agricultural high schools as those in Minnesota and Nebraska for farm boys and girls, such technical high schools as are to be found, for instance, in both St. Louis and Washington, have by their success shown that it is entirely feasible to carry in practical fashion the fundamentals of industrial training into the realms of our secondary schools. At present there is a gap between our primary schools in country and city and the industrial collegiate courses, which must be closed, and if necessary the Nation must help the State to close it. Too often our present schools tend to put altogether too great a premium upon mere literary education, and therefore to train away from the farm and the shop.

We should reverse this process. Specific training of a practical kind should be given to the boys and girls who when men and women are to make up the backbone of this Nation by working in agriculture, in the mechanical industries, in arts and trades: in short, who are to do the duty that should always come first with all

of us, the duty of home-making and home-keeping. Too narrow a literary education is, for most men and women, not a real education at all; for a real education should fit people primarily for the industrial and home-making employments in which they must employ the bulk of their activities. Our country offers unparalleled opportunities for domestic and social advancement, for social and economic leadership in the world. Our greatest national asset is to be found in the children. They need to be trained to high ideals of every-day living, and to high efficiency in their respective vocations; we can not afford to have them trained otherwise, and the Nation should help the States to achieve this end.

Now, men of Iowa, I want to say just a word on a matter that concerns not the States of the Mississippi Valley itself, but the States west of them, the States of the Great Plains and the Rocky Mountains. Unfortunately, I am not able on this present trip to visit those States, or I should speak to their own people on the point to which I now intend to allude; but after all anything that affects a considerable number of Americans who live under one set of conditions, must be of moment to all other Americans, for never forget, friends, that in the long run we shall all go up or go down together.

The States of the high plains and of the mountains have a peculiar claim upon me, because for a number of years I lived and worked in them, and I have that intimate knowledge of their people that comes under such conditions. In those States there is need of a modification of the land laws that have worked so well in the

well-watered fertile regions to the eastward, such as those in which you here dwell. The one object in all our land laws should always be to favor the actual settler, the actual home-maker, who comes to dwell on the land and there to bring up his children to inherit it after him. The Government should part with its title to the land only to the actual home-maker — not to the profit-maker, who does not care to make a home. The land should be sold outright only in quantities sufficient for decent homes — not in huge areas to be held for speculative purposes or used as ranches, where those who do the actual work are merely tenants or hired hands. No temporary prosperity of any class of men could in the slightest degree atone for failure on our part to shape the laws so that they may work for the permanent good of the home-maker. This is fundamental, gentlemen, and is simply carrying out the idea upon which I dwell in speaking to you of your own farms here in Iowa. Now in many States where the rainfall is light it is a simple absurdity to expect any man to live, still less to bring up a family, on one hundred and sixty acres. Where we are able to introduce irrigation, the homestead can be very much less in size — can, for instance, be forty acres; and there is nothing that Congress has done during the past six years more important than the enactment of the national irrigation law. But where irrigation is not applicable and the land can only be used for grazing, it may be that you can not run more than one steer to ten acres, and it is not necessary to be much of a mathematician in order to see that where such is the case a homestead of one hun-

dred and sixty acres will not go far toward the support of a family. In consequence of this fact, homesteaders do not take up the lands in the tracts in question. They are left open for anybody to graze upon that wishes to. The result is that men who use them moderately, and not with a view to exhausting their resources, are at the mercy of those who care nothing for the future and simply intend to skin the land in the present. For instance, the small sheep farmer who has a home and who wishes that home to pass on to his children improved in value will naturally run his flock so that the land will support it, not only to-day, but ten years hence; but a big absentee sheep owner, who has no home on the land at all, but simply owns huge migratory flocks of sheep, may well find it to his profit to drive them over the small sheep farmer's range and eat it all out. He can then drive his flocks on, whereas the small man can not. Of course, to permit such a state of things is not only evil for the small man, but is destructive of the best interests of the country. Substantially the same conditions obtain as regards cattle. The custom has therefore grown up of fencing great tracts of Government land without warrant of law. The men who fenced this land were sometimes rich men, who, by fencing it, kept out actual settlers and thereby worked evil to the country. But in many cases, whether they were large men or small men, their object was not to keep out actual settlers, but to protect themselves and their own industry by preventing overgrazing of the range on the part of reckless stock owners who had no place in the permanent development of the country and

who were indifferent to everything except the profits of the moment. To permit the continuance of this illegal fencing inevitably tended to very grave abuses, and the Government has therefore forced the fencers to take down their fences. In doing this we have not only obeyed and enforced the law, but we have corrected many flagrant abuses. Nevertheless, we have also caused hardship, which, though unavoidable, I was exceedingly unwilling to cause. In some way or other we must provide for the use of the public range under conditions which shall inure primarily to the benefit of the actual settlers on or near it, and which shall prevent its being wasted. This means that in some shape or way the fencing of pasture land must be permitted under restrictions which will safeguard the rights of the actual settlers. I desire to act as these actual settlers wish to have me in this matter. I wish to find out their needs and desires, and then to try to put them into effect. But they must take trouble, must look ahead to their own ultimate and real good, must insist upon being really represented by their public men, if we are to have a good result. A little while ago I received a very manly and sensible letter from one of the prominent members of the Laramie County (Wyo.) Cattle and Horse Growers' Association. My correspondent remarked incidentally in his letter, "I am a small ranchman, and have to plow and pitch hay myself," and then went on to say that the great majority of their people had complied with the governmental order, had removed their fences and sold their cattle, but that they must get some kind of a lease law which would permit them to

graze their stock under proper conditions or else it would be ruinous to them to continue in the business. The thing I have most at heart as regards this subject is to do whatever will be of permanent benefit to just exactly the people for whom this correspondent of mine spoke — the small ranchmen who have to plow and pitch hay themselves. All I want to do is to find out what will be to their real benefit, for that is certain to be to the benefit of the country as a whole. It may be that we can secure their interests best by permitting all homesteaders in the dry country to enclose, individually or a certain number of them together, big tracts of range for summer use, the tracts being proportioned to the number of neighboring homesteaders who wish to run their cattle upon it. It may be that parts of the range will only be valuable for companies that can lease it and put large herds on it; for the way properly to develop a region is to put it to those uses to which it is best adapted. The amount to be paid for the leasing privilege is to me a matter of comparative indifference. The Government does not wish to make money out of the range, but simply to provide for the necessary supervision that will prevent its being eaten out or exhausted; that is, that will secure it undamaged as an asset for the next generation, for the children of the present home-makers. Of course we must also provide enough to pay the proper share of the county taxes. I am not wedded to any one plan, and I am willing to combine several plans if necessary. But the present system is wrong, and I hope to see, in all the States of the Great Plains and the Rockies, the men like my correspondent of the

Laramie County Cattle and Horse Growers' Association, the small ranchmen "who plow and pitch hay themselves," seriously take up this matter and make their representatives in Congress understand that there must be some solution, and that this solution shall be one which will secure the greatest permanent well-being to the actual settlers, the actual home-makers. I promise with all the strength I have to co-operate toward this end.

DEVELOPMENT OF OUR WATERWAYS

FROM AN ADDRESS DELIVERED IN ST. LOUIS, MISSOURI, OCTOBER 2, 1907

It is a very real pleasure to address this body of citizens of Missouri here in the great city of St. Louis. I have often visited St. Louis before, but always by rail. Now I am visiting it in the course of a trip by water, a trip on the great natural highway which runs past your very doors — a highway once so important, now almost abandoned, which I hope this Nation will see not only restored to all its former usefulness, but given a far greater degree of usefulness to correspond with the extraordinary growth in wealth and population of the Mississippi Valley. We have lived in an era of phenomenal railroad building. As routes for merchandise, the iron highways have completely supplanted the old wagon roads, and under their competition the importance of the water highways has been much diminished. The growth of the railway system has been rapid all over the world, but nowhere so rapid as in the United States. Accom-

panying this there has grown in the United States a tendency toward the practically complete abandonment of the system of water transportation. Such a tendency is certainly not healthy, and I am convinced that it will not be permanent. There are many classes of commodities, especially those which are perishable in their nature and where the value is high relatively to the bulk, which will always be carried by rail. But bulky commodities which are not of a perishable nature will always be specially suited for the conditions of water transport. To illustrate the truth of this statement it would only be necessary to point to the use of the canal system in many countries of the Old World; but it can be illustrated even better by what has happened nearer home. The Great Lakes offer a prime example of the importance of a good water highway for mercantile traffic. As the line of traffic runs through lakes, the conditions are in some respects different from what must obtain on even the most important river. Nevertheless, it is well to remember that a very large part of this traffic is conditioned upon an artificial waterway, a canal — the famous Soo. The commerce that passes through the Soo far surpasses in bulk and in value that of the Suez Canal.

From every standpoint it is desirable for the Nation to join in improving the greatest system of river highways within its borders, a system second only in importance to the highway afforded by the Great Lakes — the highways of the Mississippi and its great tributaries, such as the Missouri and Ohio. This river system traverses too many States to render it possible to leave

merely to the States the task of fitting it for the greatest use of which it is capable. It is emphatically a national task, for this great river system is itself one of our chief national assets. Within the last few years there has been an awakening in this country to the need of both the conservation and the development of our national resources under the supervision of and by the aid of the Federal Government. This is especially true of all that concerns our running waters. On the mountains from which the springs start we are now endeavoring to preserve the forests which regulate the water supply and prevent too startling variations between droughts and freshets. Below the mountains, in the high dry regions of the western plains, we endeavor to secure the proper utilization of the waters for irrigation. This is at the sources of the streams. Farther down, where they become navigable, our aim must be to try to develop a policy which shall secure the utmost advantage from the navigable waters. Finally, on the lower courses of the Mississippi, the Nation should do its full share in the work of levee building; and, incidentally to its purpose of serving navigation, this will also prevent the ruin of alluvial bottoms by floods. Our knowledge is not sufficiently far advanced to enable me to speak definitely as to the plans which should be adopted; but let me say one word of warning: The danger of entering on any such scheme lies in the adoption of impossible and undesirable plans, plans the adoption of which means an outlay of money extravagant beyond all proportion to the return, or which, though feasible, are not, relatively to other plans, of an importance which warrants their

adoption. It will not be easy to secure the assent of a fundamentally cautious people like our own to the adoption of such a policy as that I hope to see adopted; and even if we begin to follow out such a policy it certainly will not be persevered in if it is found to entail reckless extravagance or to be tainted with jobbery. The interests of the Nation as a whole must be always the first consideration.

This is properly a national movement, because all interstate and foreign commerce, and the improvements and methods of carrying it on, are subjects for national action. Moreover, while of course the matter of the improvement of the Mississippi River and its tributaries is one which especially concerns the great middle portion of our country, the region between the Alleghenies and the Rockies, yet it is of concern to the rest of the country also, for it can not too often be said that whatever is really beneficial to one part of our country is ultimately of benefit to the whole. Exactly as it is a good thing for the interior of our country that the seaports on the Atlantic and the Pacific and the Gulf should be safe and commodious, so it is to the interest of the dwellers on the coast that the interior should possess ample facilities for the transportation of its products. Our interests are all closely interwoven, and in the long run it will be found that we go up or go down together.

FEDERAL CONTROL AND THE CONSTITUTION

FROM AN ADDRESS DELIVERED IN ST. LOUIS, MISSOURI, OCTOBER 2, 1907

IN conclusion I wish to say a word to this body, containing as it does so many business men, upon what is pre-eminently a business proposition, and that is the proper national supervision and control of corporations. At the meeting of the American Bar Association in this last August, Judge Charles F. Amidon of North Dakota read a paper on the Nation and the Constitution so admirable that it is deserving of very wide study; for what he said was, as all studies of law in its highest form ought to be, a contribution to constructive jurisprudence as it should be understood not only by judges but by legislators, not only by those who interpret and decide the law, but by those who make it and who administer or execute it. He quoted from the late Justice Miller of the Supreme Court to show that even in the interpretation of the Constitution by this, the highest authority of the land, the court's successive decisions must be tested by the way they work in actual application to the national life; the court adding to its thought and study the results of experience and observation until the true solution is evolved by a process both of inclusion and exclusion. Said Justice Miller: "The meaning of the Constitution is to be sought as much in the national life as in the dictionary;" for, as has been well said, govern-

ment purely out of a law library can never be really good government.

Now that the questions of government are becoming so largely economic, the majority of our so-called constitutional cases really turn not upon the interpretation of the instrument itself, but upon the construction, the right apprehension of the living conditions to which it is to be applied. The Constitution is now and must remain what it always has been; but it can only be interpreted as the interests of the whole people demand, if interpreted as a living organism, designed to meet the conditions of life and not of death; in other words, if interpreted as Marshall interpreted it, as Wilson declared it should be interpreted. The Marshall theory, the theory of life and not of death, allows to the Nation, that is to the people as a whole, when once it finds a subject within the national cognizance, the widest and freest choice of methods for national control, and sustains every exercise of national power which has any reasonable relation to national objects. The negation of this theory means, for instance, that the Nation — that we the ninety millions of people of this country — will be left helpless to control the huge corporations which now domineer in our industrial life, and that they will have the authority of the courts to work their desires unchecked; and such a decision would in the end be as disastrous for them as for us. If the theory of the Marshall school prevails, then an immense field of national power, now unused, will be developed, which will be adequate for dealing with many, if not all, of the economic problems which vex us; and we shall be saved from the ominous threat of a constant oscillation

between economic tyranny and economic chaos. Our industrial, and therefore our social, future as a Nation depends upon settling aright this urgent question.

The Constitution is unchanged and unchangeable save by amendment in due form. But the conditions to which it is to be applied have undergone a change which is almost a transformation, with the result that many subjects formerly under the control of the States have come under the control of the Nation. As one of the justices of the Supreme Court has recently said: "The growth of national powers, under our Constitution, which marks merely the great outlines and designates only the great objects of national concern, is to be compared to the growth of a country not by the geographical enlargement of its boundaries, but by the increase of its population." A hundred years ago there was, except the commerce which crawled along our seacoast or up and down our interior waterways, practically no interstate commerce. Now, by the railroad, the mails, the telegraph, and the telephone an immense part of our commerce is interstate. By the transformation it has escaped from the power of the State and come under the power of the Nation. Therefore there has been a great practical change in the exercise of the national power, under the acts of Congress, over interstate commerce; while on the other hand there has been no noticeable change in the exercise of the national power "to regulate commerce with foreign nations and with the Indian tribes." The change as regards interstate commerce has been, not in the Constitution, but in the business of the people to which it is to be applied. Our economic

and social future depends in very large part upon how the interstate commerce power of the Nation is interpreted.

I believe that the Nation has the whole governmental power over interstate commerce and the widest discretion in dealing with that subject; of course under the express limits prescribed in the Constitution for the exercise of all powers, such, for instance, as the condition that "due process of law" shall not be denied. The Nation has no direct power over purely intrastate commerce, even where it is conducted by the same agencies which conduct interstate commerce. The courts must determine what is national and what is State commerce. The same reasoning which sustained the power of Congress to incorporate the United States Bank tends to sustain the power to incorporate an interstate railroad, or any other corporation conducting an interstate business.

There are difficulties arising from our dual form of government. If they prove to be insuperable resort must be had to the power of amendment. Let us first try to meet them by an exercise of all the powers of the National Government which in the Marshall spirit of broad interpretation can be found in the Constitution as it is. They are of vast extent. The chief economic question of the day in this country is to provide a sovereign for the great corporations engaged in interstate business; that is, for the railroads and the interstate industrial corporations. At the moment our prime concern is with the railroads. When railroads were first built they were purely local in character. Their boundaries were not coextensive even with the

boundaries of one State. They usually covered but two or three counties. All this has now changed. At present five great systems embody nearly four-fifths of the total mileage of the country. All the most important railroads are no longer State roads, but instruments of interstate commerce. Probably eighty-five per cent. of their business is interstate business. It is the Nation alone which can with wisdom, justice, and effectiveness exercise over these interstate railroads the thorough and complete supervision which should be exercised. One of the chief, and probably the chief, of the domestic causes for the adoption of the Constitution was the need to confer upon the Nation exclusive control over interstate commerce. But this grant of power is worthless unless it is held to confer thoroughgoing and complete control over practically the sole instrumentalities of interstate commerce — the interstate railroads. The railroads themselves have been exceedingly shortsighted in the rancorous bitterness which they have shown against the resumption by the Nation of this long-neglected power. Great capitalists who pride themselves upon their extreme conservatism often believe they are acting in the interests of property when following a course so short-sighted as to be really an assault upon property. They have shown extreme unwisdom in their violent opposition to the assumption of complete control over the railroads by the Federal Government. The American people will not tolerate the happy-go-lucky system of no control over the great interstate railroads, with the insolent and manifold abuses which have so generally accompanied it. The

control must exist somewhere; and unless it is by thoroughgoing and radical law placed upon the statute books of the Nation, it will be exercised in ever-increasing measure by the several States. The same considerations which made the founders of the Constitution deem it imperative that the Nation should have complete control of interstate commerce apply with peculiar force to the control of interstate railroads at the present day; and the arguments of Madison of Virginia, Pinckney of South Carolina, and Hamilton and Jay of New York, in their essence apply now as they applied one hundred and twenty years ago.

The national convention which framed the Constitution, and in which almost all the most eminent of the first generation of American statesmen sat, embodied the theory of the instrument in a resolution to the effect that the National Government should have power in cases where the separate States were incompetent to act with full efficiency, and where the harmony of the United States would be interrupted by the exercise of such individual legislation. The interstate railroad situation is exactly a case in point. There will, of course, be local matters affecting railroads which can best be dealt with by local authority, but as national commercial agents the big interstate railroad ought to be completely subject to national authority. Only thus can we secure their complete subjection to, and control by, a single sovereign, representing the whole people, and capable both of protecting the public and of seeing that the railroads neither inflict nor endure injustice.

Personally I firmly believe that there should be national legislation to control all industrial

corporations doing an interstate business, including the control of the output of their securities, but as to these the necessity for Federal control is less urgent and immediate than is the case with the railroads. Many of the abuses connected with these corporations will probably tend to disappear now that the Government — the public — is gradually getting the upper hand as regards putting a stop to the rebates and special privileges which some of these corporations have enjoyed at the hands of the common carriers. But ultimately it will be found that the complete remedy for these abuses lies in direct and affirmative action by the National Government. That there is constitutional power for the national regulation of these corporations I have myself no question. Two or three generations ago there was just as much hostility to national control of banks as there is now to national control of railroads or of industrial corporations doing an interstate business. That hostility now seems to us ludicrous in its lack of warrant; in like manner, gentlemen, our descendants will regard with wonder the present opposition to giving the National Government adequate power to control those great corporations, which it alone can fully, and yet wisely, safely, and justly control. Remember also that to regulate the formation of these corporations offers one of the most direct and efficient methods of regulating their activities.

I am not pleading for an extension of constitutional power. I am pleading that constitutional power which already exists shall be applied to new conditions which did not exist when the Constitution went into being. I ask that the national

powers already conferred upon the National Government by the Constitution shall be so used as to bring national commerce and industry effectively under the authority of the Federal Government and thereby avert industrial chaos. My plea is not to bring about a condition of centralization. It is that the Government shall recognize a condition of centralization in a field where it already exists. When the national banking law was passed it represented in reality not centralization, but recognition of the fact that the country had so far advanced that the currency was already a matter of national concern and must be dealt with by the central authority at Washington. So it is with interstate industrialism and especially with the matter of interstate railroad operation to-day. Centralization has already taken place in the world of commerce and industry. All I ask is that the National Government look this fact in the face, accept it as a fact, and fit itself accordingly for a policy of supervision and control over this centralized commerce and industry.

INDUSTRIAL DEMOCRACY

FROM AN ADDRESS DELIVERED IN CAIRO, ILLINOIS, OCTOBER 3, 1907

I am glad to have the chance to speak to you to-day. This is the heart of what may be called the Old West, which we now call the Middle West, using the term to denote that great group of rich and powerful States which literally forms the heart of the country. It is a region whose

people are distinctively American in all their thoughts, in all their ways of looking at life; and in its past and its present alike it is typical of our country. The oldest men present can still remember the pioneer days, the days of the white-tilted ox wagon, of the emigrant, and of the log cabin in which that emigrant first lived when he settled to his task as a pioneer farmer. They were rough days, days of hard work, and the people who did that work seemed themselves uncouth and forbidding to visitors who could not look below the surface. It is curious and amusing to think that even as genuine a lover of his kind, a man normally so free from national prejudices as Charles Dickens, should have selected the region where we are now standing as the seat of his forlorn "Eden" in "Martin Chuzzlewit." The country he so bitterly assailed is now one of the most fertile and productive portions of one of the most fertile and productive agricultural territories in all the world, and the dwellers in this territory represent a higher average of comfort, intelligence, and sturdy capacity for self-government than the people in any tract of like extent in any other continent. The land teems with beauty and fertility, and but a score of years after Dickens wrote it was shown to be a nursery and breeding ground of heroes, of soldiers and statesmen of the highest rank, while the rugged worth of the rank and file of the citizenship rendered possible the deeds of the mighty men who led in council and in battle. This was the region that brought forth mighty Abraham Lincoln, the incarnation of all that is best in democratic life; and from the loins of

the same people, living only a little farther south, sprang another of our greatest Presidents, Andrew Jackson—"Old Hickory"—a man who made mistakes, like most strong men, but a man of iron will and incorruptible integrity, fearless, upright, devoted to the welfare of his countrymen, bone of our bone and flesh of our flesh, a typical American if ever there was one.

I commend a careful reading of "Martin Chuzzlewit" to the pessimists of to-day, to the men who, instead of fighting hard to do away with abuses while at the same time losing no jot of their buoyant hopefulness for the country, insist that all our people, socially and industrially, in their private lives no less than as politicians, newspaper men and business men, are at a lower ebb than ever before. If ever any one of you feels a little downcast over the peculiarly gloomy view of the present taken by some well-meaning pessimist of to-day, you will find it a real comfort to read "Martin Chuzzlewit," to see what a well-meaning pessimist of the past thought of our people sixty-five years ago; and then think of the extraordinary achievement, the extraordinary gain, morally no less than materially, of those sixty-five years. Dickens can be read by us now with profit; Elijah Pogram, Hannibal Chollop, Jefferson Brick, and Scadder have their representatives to-day, plenty of them; and the wise thing for us to do is to recognize that these are still types of evil in politics, journalism, business, and private life, and to war against them with all our hearts. But it is rank folly to regard these as the only, or the chief, types in our national life. It was not of much consequence whether Dickens made such an error or not, but it would

be of great consequence if we ourselves did; for a foolish pessimism is an even greater foe of healthy national growth than a foolish optimism. It was not that Dickens invented characters or scenes that had no basis in fact; on the contrary, what he said was true, as far as it went; the trouble was that out of many such half truths he made a picture which as a whole was absurd; for often a half truth is the most dangerous falsehood. It would be simply silly to be angry over "Martin Chuzzlewit"; on the contrary, read it, be amused by it, profit by it; and don't be misled by it. Keep a lively watch against the present-day Pograms and Bricks; but above all, distrust the man who would persuade you to feel downhearted about the country because of these same Pograms and Bricks, past or present. It would be foolish to ignore their existence, or the existence of anything else that is bad in our national life; but it would be even more foolish to ignore the vaster forces that tell for righteousness. Friends, there is every reason why we should fight whatever is evil in the present. But there is also every reason why we should feel a sturdy and confident hope for the future. There are many wrongs to right; there are many and powerful wrong-doers against whom to war; and it would be base to shrink from the contest, or to fail to wage it with a high, a resolute will. But I am sure that we shall win in the contest, because I know that the heart of our people is sound. Our average men and women are good men and women — and this is true in all sections of our country and among all classes of our countrymen. There is no other nation on earth with such vast natural resources, or with such

a high standard of living and of industrial efficiency among its workers. We have as a nation an era of unexampled prosperity ahead of us; we shall enjoy it, and our children will enjoy it after us. The trend of well-being in this country is upward, not downward; and this is the trend in the things of the soul as well as in the things of the body.

. . . . . .

Here in this country we have founded a great Federal democratic republic. It is a government by and for the people, and therefore a genuine democracy; and the theory of our Constitution is that each neighborhood shall be left to deal with the things that concern only itself and which it can most readily deal with; so that town, county, city, and State have their respective spheres of duty, while the Nation deals with those matters which concern all of us, all of the people no matter where we dwell. Our democracy is based upon the belief that each individual ought to have the largest measure of liberty compatible with securing the rights of other individuals, that the average citizen, the plain man whom we meet in daily life, is normally capable of taking care of his own affairs, and has no desire to wrong any one else; and yet that in the interest of all there shall be sufficient power lodged somewhere to prevent wicked people from trampling the weak under foot for their own gain. Our constant endeavor is to make a good working compromise whereby we shall secure the full benefit of individual initiative and responsibility, while at the same time recognizing that it is the function of a wise government under modern conditions not merely to protect life and property, but to foster

the social development of the people so far as this may be done by maintaining and promoting justice, honesty, and equal rights. We believe in a real, not a sham, democracy. We believe in democracy as regards political rights, as regards education, and, finally, as regards industrial conditions. By democracy we understand securing, as far as it is humanly possible to secure it, equality of opportunity, equality of the conditions under which each man is to show the stuff that is in him and to achieve the measure of success to which his own force of mind and character entitle him. Religiously this means that each man is to have the right, unhindered by the State, to worship his Creator as his conscience dictates, granting freely to others the same freedom which he asks for himself. Politically we can be said substantially to have worked out our democratic ideals, and the same is true, thanks to the common schools, in educational matters. But in industry there has not as yet been the governmental growth necessary in order to meet the tremendous changes brought about in industrial conditions by steam and electricity. It is not in accordance with our principles that literally despotic power should be put into the hands of a few men in the affairs of the industrial world. Our effort must be for a just and effective plan of action which, while scrupulously safeguarding the rights of the men of wealth, shall yet, so far as humanly possible, secure under the law to all men equality of opportunity to make a living. It is to the interest of all of us that the man of exceptional business capacity should be amply rewarded; and there is nothing inconsistent with this in our insistence that he shall not be guilty of

bribery or extortion, and that the rights of the wage-worker and of the man of small means, who are themselves honest and hard working, shall be scrupulously safeguarded. The instruments for the exercise of modern industrial power are the great corporations which, though created by the individual States, have grown far beyond the control of those States and transact their business throughout large sections of the Union. These corporations, like the industrial conditions which have called them into being, did not exist when the Constitution was founded; but the wise forethought of the founders provided, under the interstate commerce clause of the Constitution, for the very emergency which has arisen, if only our people as a whole will realize what this emergency is; for if the people thoroughly realize it, their governmental representatives will soon realize it also. The National Government alone has sufficiently extensive power and jurisdiction to exercise adequate control over the great interstate corporations. While this thorough supervision and control by the National Government is desirable primarily in the interest of the people, it will also, I firmly believe, be to the benefit of those corporations themselves which desire to be honest and law-abiding. Only thus can we put over these corporations one competent and efficient sovereign — the Nation — able both to exact justice from them and to secure justice for them, so that they may not be alternately pampered and oppressed. The proposal need be dreaded only by those corporations which do not wish to obey the law or to be controlled in just fashion, but prefer to take their chances under the present

lack of all system and to court the chance of getting improper favors as offsetting the chance of being blackmailed — an attitude rendered familiar in the past by those corporations which had thriven under certain corrupt and lawless city governments.

The first need is to exercise this Federal control in thoroughgoing and efficient fashion over the railroads, which, because of their peculiar position, offer the most immediate and urgent problem. The American people abhor a vacuum, and are determined that this control shall be exercised somewhere; it is most unwise for the railroads not to recognize this and to submit to it as the first requisite of the situation. When this control is exercised in some such fashion as it is now exercised over the national banks, there will be no falling off in business prosperity. On the contrary, the chances for the average man to do better will be increased. Undoubtedly there will be much less opportunity than at present for a very few individuals not of the most scrupulous type to amass great fortunes by speculating in and manipulating securities which are issued without any kind of control or supervision. But there will be plenty of room left for ample legitimate reward for business genius, while the chance for the man who is not a business genius, but who is a good, thrifty, hard-working citizen, will be better. I do not believe that our efforts will have anything but a beneficial effect upon the permanent prosperity of the country; and, as a matter of fact, even as regards any temporary effect, I think that any trouble is due fundamentally not to the fact that the national authorities have discovered and corrected certain

abuses, but to the fact that those abuses were there to be discovered. I think that the excellent people who have complained of our policy as hurting business have shown much the same spirit as the child who regards the dentist and not the ulcerated tooth as the real source of his woe. I am as certain as I can be of anything that the course we are pursuing will ultimately help business; for the corrupt man of business is as great a foe to this country as the corrupt politician. Both stand on the same evil eminence of infamy. Against both it is necessary to war; and if, unfortunately, in either type of warfare, a few innocent people are hurt, the responsibility lies not with us, but with those who have misled them to their hurt.

This is a rapidly growing nation, on a new continent, and in an era of new, complex, and ever-shifting conditions. Often it is necessary to devise new methods of meeting these new conditions. We must regard the past, but we must not regard only the past. We must also think of the future; and while we must learn by experience, we can not afford to pay heed merely to the teachings of experience. The great preacher Channing in his essay on "The Union" spoke with fine insight on this very point. In commenting on the New England statesman Cabot, whom he greatly admired, he said that nevertheless "he had too much of the wisdom of experience; he wanted what may be called the wisdom of hope." He then continued in words which have a peculiar fitness for the conditions of to-day: "We apprehend that it is possible to make experience too much our guide. There are seasons in human affairs, of inward

and outward revolution, when new depths seem to be broken up in the soul, when new wants are unfolded in multitudes, and a new and undefined good is thirsted for. These are periods when the principles of experience need to be modified, when hope and trust and instinct claim a share with prudence in the guidance of affairs, when in truth *to dare* is the highest wisdom."

These sentences should be carefully pondered by those men, often very good men, who forget that constructive change offers the best method of avoiding destructive change; that reform is the antidote to revolution; and that social reform is not the precursor but the preventive of socialism.

IMPROVEMENT OF INLAND WATERWAYS

FROM AN ADDRESS DELIVERED IN MEMPHIS, TENNESSEE, BEFORE THE DEEP WATERWAY CONVENTION, OCTOBER 4, 1907

UNDER any circumstances I should welcome the chance of speaking at Memphis in the old historic State of Tennessee, rich in its glorious past and in the certainty of an even greater future; but I especially congratulate myself that I am able to speak here on an occasion like this, when I meet not only the citizens of Tennessee, but many of the citizens of Mississippi and Arkansas and of other States as well; and when the chief executives of so many States are gathered to consider a subject of momentous interest to all. The Mississippi Valley is a magnificent empire in size and fertility. It is better adapted to

the development of inland navigation than any other valley in either hemisphere; for there are 12,000 miles of waterway now more or less fully navigable, and the conditions are so favorable that it will be easy to increase the extent of navigable waterways to almost any required degree by canalization. Early in our industrial history this valley was the seat of the largest development of inland navigation in the United States, and perhaps you will pardon my mentioning that the first steamboat west of the Alleghenies was built by a Roosevelt, my great-grandfather's brother, in 1811, for the New Orleans trade, and in that year made the trip from Pittsburg to New Orleans. But from various causes river and canal transportation declined all over the United States as the railroad systems came to their full development. It is our business to see that the decline is not permament; and it is of interest to remember that nearly a century ago President Madison advocated the canalization of the Mississippi.

In wealth of natural resources no kingdom of Europe can compare with the Mississippi Valley and the region around the Great Lakes, taken together, and in population this huge fertile plain already surpasses all save one or two of the largest European kingdoms. In this empire a peculiarly stalwart and masterful people finds itself in the surroundings best fitted for the full development of its powers and faculties. There has been a great growth in the valley of manufacturing centres; the movement is good if it does not go too far, but I most earnestly hope that this region as a whole will remain predominantly agricultural. The people who live in the

country districts, and who till the small or medium-sized farms on which they live, make up what is on the whole the most valuable asset in our national life. There can be just as real progress and culture in the country as in the city; especially in these days of rural free delivery, trolleys, bicycles, telephones, good roads, and school improvements. The valley of the Mississippi is politically and commercially more important than any other valley on the face of the globe. Here more than anywhere else will be determined the future of the United States and indeed of the whole western world; and the type of civilization reached in this mighty valley, in this vast stretch of country lying between the Alleghenies and the Rockies, the Great Lakes and the Gulf, will largely fix the type of civilization for the whole Western Hemisphere. Already, as our history shows, the West has determined our national political development, and the fundamental principle of present American politics political equality, was originally a western idea.

The wonderful variety of resources in different portions of the valley makes the demand for transportation altogether exceptional. Coal, lumber, corn, wheat, cotton, cattle — on the surface of the soil and beneath the soil the riches are great. There are already evident strong tendencies to increase the carrying of freight from the northern part of the valley to the Gulf. Throughout the valley the land is so fertile as to make the field for the farmer peculiarly attractive; and where in the west the climate becomes drier we enter upon the ranching country; while in addition to the products of the soil there are

also the manufactures supplied in innumerable manufacturing centres, great and small. Cities of astonishing growth are found everywhere from the Gulf to the Great Lakes, from the Alleghenies to the Rockies; most of them being situated on the great river which flows by your doors or upon some of its numerous navigable tributaries. New mineral fields are discovered every year; and the constantly increasing use of all the devices of intensive cultivation steadily adds to the productive power of the farms. Above all, the average man is honest, intelligent, self-reliant, and orderly, and therefore a good citizen; and farmer and wage-worker alike — in the last analysis the two most important men in the community — enjoy a standard of living, and have developed a standard of self-respecting, self-reliant manhood, which are of good augury for the future of the entire Republic. No man can foresee the limit of the possibility of development in the Mississippi Valley.

Such being the case, and this valley being literally the heart of the United States, all that concerns its welfare must concern likewise the whole country. Therefore, the Mississippi River and its tributaries ought by all means to be utilized to their utmost possibility. Facility of cheap transportation is an essential in our modern civilization, and we can not afford any longer to neglect the great highways which nature has provided for us. These natural highways, the waterways, can never be monopolized by any corporation. They belong to all the people, and it is in the power of no one to take them away. Wherever a navigable river runs beside railroads the problem of regulating the rates on the rail-

roads becomes far easier, because river regulation is rate regulation. When the water rate sinks, the land rate can not be kept at an excessive height. Therefore it is of national importance to develop these streams as highways to the fullest extent which is genuinely profitable. Year by year transportation problems become more acute, and the time has come when the rivers really fit to serve as arteries of trade should be provided with channels deep enough and wide enough to make the investment of the necessary money profitable to the public. The National Government should undertake this work. Where the immediately abutting land is markedly benefited, and this benefit can be definitely localized, I trust that there will be careful investigation to see whether some way can be devised by which the immediate beneficiaries may pay a portion of the expenses — as is now the custom as regards certain classes of improvements in our municipalities; and measures should be taken to secure from the localities specially benefited proper terminal facilities. The expense to the Nation of entering upon such a scheme of river improvement as that which I believe it should undertake, will necessarily be great. Many cautious and conservative people will look askance upon the project, and from every standpoint it is necessary, if we wish to make it successful, that we should enter upon it only under conditions which will guarantee the Nation against waste of its money, and which will insure us against entering upon any project until after the most elaborate expert examination, and reliable calculation of the proportion between cost and benefit. In any project like this there

should be a definite policy, and a resolute purpose to keep in mind that the only improvements made should be those really national in their character. We should act on the same principle in improving our rivers that we should follow in improving our harbors. The great harbors are of consequence not merely to the immediate localities, but to immense stretches of country; and the same is true of the great rivers. It is these great rivers and great harbors the improvement of which is of primary national interest. The main streams should be improved to the highest practical degree of efficiency before improvements are attempted on the branches, and work should be undertaken only when completion is in sight within a reasonable time, so that assured results may be gained and the communities affected depend upon the improvements. Moreover, as an incident in caring for the river so that it may become an efficient channel of transportation, the United States Government should do its full part in levee building, which, in the lower reaches of the river, will not only give a channel for commerce, but will also give protection to the adjacent bottom lands.

Immense sums have already been spent upon the Mississippi by the States and the Nation, yet much of it remains practically unused for commerce. The reasons for this fact are many. One is that the work done by the National Government at least has not been based upon a definite and continuous plan. Appropriations by Congress, instead of assuring the steady progress and timely completion of each piece of work as it was undertaken, have been irregular and uncertain. As a direct consequence, far-reaching

plans have been discouraged and continuity in execution has been made impossible. It is altogether unlikely that better results will be obtained so long as the method is followed of making partial appropriations at irregular intervals for works which should never be undertaken until it is certain that they can be carried to completion within a definite and reasonable time. Planned and orderly development is essential to the best use of every natural resource, and to none more than to the best use of our inland waterways. In the case of the waterways it has been conspicuously absent. Because such foresight was lacking, the interests of our rivers have been in fact overlooked, in spite of the immense sums spent upon them. It is evident that their most urgent need is a far-sighted and comprehensive plan, dealing not with navigation alone, nor with irrigation alone, but considering our inland waterways as a whole, and with reference to every use to which they can be put. The central motive of such a plan should be to get from the streams of the United States not only the fullest but also the most permanent service they are capable of rendering to the Nation as a whole.

The industries developed under the stimulus of the railroads are for the most part permanent industries, and therefore they form the basis for future development. But the railroads have shown that they alone can not meet the demands of the country for transportation, and where this is true the rivers should begin to supplement the railroads, to the benefit of both, by relieving them of certain of the less profitable classes of freight. The more far-seeing railroad men, I am glad to

tell you, realize this fact, and many of them have become earnest advocates of the improvement of the Mississippi, so that it may become a sort of inland seaboard, extending from the Gulf far into the interior, and I hope ultimately to the Great Lakes. An investigation of the proposed Lakes-to-the-Gulf deep waterway is now in progress under an appropriation of the last Congress. We shall await its results with the keenest interest. The decision is obviously of capital importance to our internal development and scarcely less so in relation to external commerce.

This is but one of the many projects which it is time to consider, although a most important one. Plans for the improvement of our inland navigation may fairly begin with our greatest river and its chief tributaries, but they can not end there. The lands which the Columbia drains include a vast area of rich grain fields and fruit lands, much of which is not easily reached by railways. The removal of obstructions in the Columbia and its chief tributaries would open to navigation and inexpensive freight transportation fully two thousand miles of channel. The Sacramento and San Joaquin Rivers with their tidal openings into San Francisco Bay are partly navigable now. Their navigation should be maintained and improved, so as to open the marvellously rich valley of California to inexpensive traffic, in order to facilitate both rate regulation and the control of the waters for other purposes. And many other rivers of the United States demand improvement, so as better to meet the requirements of increasing

production from the soil, increasing manufacture, and a rapidly growing population.

While thus the improvement of inland navigation is a vital problem, there are other questions of no less consequence connected with our waterways. One of these relates to the purity of waters used for the supply of towns and cities, to the prevention of pollution by manufacturing and other industries, and to the protection of drainage areas from soil wash through forest covering or judicious cultivation. With our constantly increasing population this question becomes more and more pressing, because the health and safety of great bodies of citizens are directly involved.

Another important group of questions concerns the irrigation of arid lands, the prevention of floods, and the reclamation of swamps. Already many thousands of homes have been established on the arid regions, and the population and wealth of seventeen States and Territories have been largely increased through irrigation. Yet this means of national development is still in its infancy, and it will doubtless long continue to multiply homes and increase the productiveness and power of the Nation. The reclamation of over-flow lands and marshes, both in the interior and along the coasts, has already been carried on with admirable results, but in this field, too, scarcely more than a good beginning has yet been made. Still another fundamentally important question is that of water-power. Its significance in the future development of our whole country, and especially of the West, is but just beginning to be understood. The plan of

the city of Los Angeles, for example, to bring water for its use a distance of nearly two hundred and fifty miles — perhaps the boldest project of the kind in modern times — promises not only to achieve its purpose, but in addition to produce a water-power sufficiently valuable to pay large interest on the investment of over $23,000,000.

Hitherto such opportunities for using water to double purpose have not always been seized. Thus it has recently been shown that water enough is flowing unused over Government dams, built to improve navigation, to produce many hundreds of thousands of horse-power. It is computed that the annual value of the available but unused water-power in the United States exceeds the annual value of the products of all our mines. Furthermore, it is calculated that under judicious handling the power of our streams may be made to pay for all the works required for the complete development and control of our inland waterways.

Forests are the most effective preventers of floods, especially when they grow on the higher mountain slopes. The national forest policy, inaugurated primarily to avert or mitigate the timber famine which is now beginning to be felt, has been effective also in securing partial control of floods by retarding the run-off and checking the erosion of the higher slopes within the national forests. Still the loss from soil wash is enormous. It is computed that one-fifth of a cubic mile in volume, or one billion tons in weight of the richest soil matter of the United States, is annually gathered in storm rivulets, washed into the rivers, and borne into the sea.

The loss to the farmer is in effect a tax greater than all other land taxes combined, and one yielding absolutely no return. The Department of Agriculture is now devising and testing means to check this enormous waste through improved methods of agriculture and forest management.

Citizens of all portions of the country are coming to realize that, however important the improvement of navigation may be, it is only one of many ends to be kept in view. The demand for navigation is hardly more pressing than the demands for reclaiming lands by irrigation in the arid regions and by drainage in the humid lowlands, or for utilizing the water-power now running to waste, or for purifying the waters so as to reduce or remove the tax of soil waste to promote manufactures and safeguard life. It is the part of wisdom to adopt not a jumble of unrelated plans, but a single comprehensive scheme for meeting all the demands so far as possible at the same time and by the same means. This is the reason why the Inland Waterways Commission was created in March last, largely in response to petitions from citizens of the interior, including many of the members of this Congress. Broad instructions were given to the Commission in accordance with this general policy that no plan should be prepared for the use of any stream for a single purpose without carefully considering, and so far as practicable actually providing for, the use of that stream for every other purpose. Plans for navigation and power should provide with special care for sites and terminals not only for the immediate present but also for the future. It is because of my conviction in these matters that I am here. The

Inland Waterways Commission has a task broader than the consideration of waterways alone. There is an intimate relation between our streams and the development and conservation of all the other great permanent sources of wealth. It is not possible rightly to consider the one without the other. No study of the problem of the waterways could hope to be successful which failed to consider also the remaining factors in the great problem of conserving all our resources. Accordingly, I have asked the Waterways Commission to take account of the orderly development and conservation, not alone of the waters, but also of the soil, the forests, the mines, and all the other natural resources of our country.

Many of these resources which we have been in the habit of calling inexhaustible are being rapidly exhausted, or in certain regions have actually disappeared. Coal mines, oil and gas fields, and iron mines in important numbers are already worked out. The coal and oil treasures which remain are passing rapidly, or have actually passed, into the possession of great corporations, who acquire ominous power through an unchecked control of these prime necessities of modern life; a control without supervision of any kind. We are consuming our forests three times faster than they are being reproduced. Some of the richest timber lands of this continent have already been destroyed, and not replaced, and other vast areas are on the verge of destruction. Yet forests, unlike mines, can be so handled as to yield the best results of use, without exhaustion, just like grain fields.

Our public lands, whose highest use is to sup-

ply homes for our people, have been and are still being taken in great quantities by large private owners, to whom home-making is at the very best but a secondary motive subordinate to the desire for profit. To allow the public lands to be worked by the tenants of rich men for the profit of the landlords, instead of by freeholders for the livelihood of their wives and children, is little less than a crime against our people and our institutions. The great central fact of the public land situation, as the Public Lands Commission well said, is that the amount of public land patented by the Government to individuals is increasing out of all proportion to the number of new homes. It is clear beyond peradventure that our natural resources have been and are still being abused, that continued abuse will destroy them, and that we have at last reached the forks of the road. We are face to face with the great fact that the whole future of the Nation is directly at stake in the momentous decision which is forced upon us. Shall we continue the waste and destruction of our natural resources, or shall we conserve them? There is no other question of equal gravity now before the Nation.

It is the plain duty of those of us who for the moment are responsible to make inventory of the natural resources which have been handed down to us, to forecast as well as we may the needs of the future, and so to handle the great sources of our prosperity as not to destroy in advance all hope for the prosperity of our descendants.

As I have said elsewhere, the conservation of natural resources is the fundamental problem. Unless we solve that problem it will avail us lit-

tle to solve all others. To solve it, the whole Nation must undertake the task through their organizations and associations, through the men whom they have made specially responsible for the welfare of the several States, and finally through Congress and the Executive. As a preliminary step, the Inland Waterways Commission has asked me to call a conference on the conservation of natural resources, including, of course, the streams, to meet in Washington during the coming winter. I shall accordingly call such conference. It ought to be among the most important gatherings in our history, for none have had a more vital question to consider.

ENFORCEMENT OF LAW AND THE RAILWAYS

FROM AN ADDRESS DELIVERED IN MEMPHIS, TENNESSEE, BEFORE THE DEEP WATERWAY CONVENTION, OCTOBER 4, 1907

It ought not to be necessary for me to repeat, but I shall repeat, that I shall enforce the law just as quickly against the poor man who goes wrong as against the rich man, but no quicker. Whenever I have the power, I will use every resource of this Nation to stamp out murderous and lawless violence of the kind that breeds the anarchy of which you, Governor Patterson, spoke. And I shall no more stay my hand if the wrong-doer masquerades as a labor leader than I shall stay my hand if he masquerades as a captain of industry. I have expressed myself once definitely on the subject of undesirable citizens, and I stand by what I said —

alike when the undesirable citizen is a great capitalist who wins a fortune by chicanery and wrong-doing to the hurt of his fellows and the damage of the public conscience, and when he is a man who, under the guise of standing for labor, preaches and encourages violence and murder. I think that my position has at least the merit of being easily understood.

Before closing let me say a word upon the subject of the regulation of the railways by Congress under the interstate commerce clause of the Constitution. In my judgment the old days of happy-go-lucky indifference on the part of the public to the conduct of the corporations have passed. The American people has made up its mind that the conditions of modern industrialism are such as imperatively to demand supervision in the interest of the people as a whole over these great corporations. Most emphatically we should do full justice to them; but in return we should exact justice from them to the public. Some of them have become so habituated to disregarding everything but their own wishes and interests that the effort to establish a proper supervision over them has aroused on their part a curiously unreasonable antagonism. Their spokesmen do not seem to be aware that in what we have been trying to do we have not been improperly radical; using the word in its right sense, we have been conservative. We have merely taken the first steps in a policy which must be permanent if our democratic institutions are to endure; while, as a matter of course, we must also keep ever in mind that it is exactly as injurious to true democracy to inflict, as tamely to suffer, wrong. We can no more

tolerate injustice to the railroads than injustice by them; one course is as immoral and as fundamentally mischievous and injurious to the people as the other.

In the matter of supervision of the great railway corporations we are acting as all civilized governments have already acted or are on the point of acting. The unrestricted issue of railway securities without any supervision, and under circumstances which often result in the gravest scandal, should not be permitted, and only by governmental action can it be prevented. It is already thus prevented in England and Germany, for instance. In England the first Royal Commission of Railways, of which that great parliamentary and popular leader, William Ewart Gladstone, was chairman, set forth as fundamental the very principles which here have at last been enacted into law, or which, as I firmly believe, will speedily be enacted. Of course, in any movement like this in which we are now engaged, in any movement looking to the regulation of vast corporate wealth engaged in interstate business, and to the cutting out of all abuses connected therewith, there will at times be suffering in which, unfortunately, many innocent people will be involved. But such suffering of the innocent is unavoidable in every great movement of life. Able and unscrupulous men are sure to deceive certain innocent outsiders and persuade them to invest in ventures under conditions which render loss certain when the force of the law is asserted. I am exceedingly sorry for these innocent people; but it is not possible, because of them, to refuse to proceed against the men who have victimized them. It

is just such a case as would occur if an unscrupulous man with counterfeit money visited some remote village, spent his money, and then disappeared. The local innkeeper and livery-stable keeper, the shopkeeper and the neighboring farmer, would all have been victimized; they would have lodged and fed the man, have supplied him with goods from the store and the farm, have hired horses and wagons to him, and in return would find themselves loaded with counterfeit money. If, under such circumstances, the Government found out what had happened it would have no alternative save to stop the circulation of the counterfeit money, though those possessing it were innocent. It would, of course, try to secure the conviction of the thief, but if he had escaped the jurisdiction of the law, it would nevertheless be impossible to let his innocent victims continue to pass his by no means innocent counterfeit money. Well, just the same thing is true when it comes to enforcing the law against business men of great wealth who have violated it. People are always beseeching me not to enforce it against them, because innocent outsiders may be hurt, or, only to enforce it with a gentleness that would prevent anybody, good or bad, from being hurt. It is not possible to comply with such requests, even when they are made in good faith. This is a government of law, a law which applies to great and small alike. I am sorry indeed when it happens that big men who do wrong have involved smaller men with no bad intentions to such an extent that they suffer when we force the undoing of the wrong. But we can not hold our hands for such a consideration. The

responsibility for the suffering of those innocent outsiders lies, not with us who put a stop to the wrong and punish the wrong-doers, but with these wrong-doers who mislead their victims.

In conclusion, friends, let me impress upon you one thing. Good laws can do much good; indeed, they are often indispensable. There is urgent need that we should have honest and efficient legislation, and honest and efficient action by those whose province it is to put the legislation into effect. But there is infinitely more need of a high individual average of character. The only permanent way to help any man is to help him to help himself. To teach him permanently to depend on anything save his own powers is to do him harm and not good. Let no man persuade you that laws by themselves, no matter how necessary and beneficial, will make any community happy and prosperous, or be even the chief factors in securing such happiness and prosperity. In the last analysis the vital factor in each man's effort to achieve success in life must be his own character, his own courage and uprightness and intelligence. In this audience are many men who wore the gray in the great Civil War. In every audience I have spoken to on this trip there have been men who fought in either the Union or Confederate Army, and often representatives from both armies. Now, you men know that while in time of war there is need of good generalship, need of good organization, yet the determining factor in the regiment, the brigade, the army, is, and must ever be, the individual character of the individual soldier; his prowess, his hardihood, his unyielding resolution, his stern fidel-

ity to duty, his capacity to act on his own individual responsibility when necessary, and yet to serve over or under or with others in perfect harmony and obedience. It is the character of the man in the ranks which primarily determines the failure or success of battle and campaign. In the great Civil War our armies, northern and southern alike, won their high position forever and all time in the undying regard and admiration of their fellow-citizens, because the average man in the ranks, the average man who carried sabre or rifle, had this high standard of personal quality. Just as it was in time of war, so it is now in time of peace. If a man has not got the right stuff in him then no law can possibly get it out of him, because it is not there to get out. All that the law can do is to punish evil, to encourage what is good, and to secure, so far as is possible, an equality of opportunity for all men to show their strength of body, mind, and soul in the hard struggle of life.

RIGHTS OF PROPERTY AND ABUSES OF WEALTH

FROM AN ADDRESS DELIVERED IN VICKSBURG, MISSISSIPPI, OCTOBER 21, 1907

Now, my friends, I have spoken to you so far only of things affecting our material well-being. They are of prime importance. It is as important for a nation that there shall be a foundation of material prosperity as it is important for an individual that there shall be such a foundation. I distrust the man in private life who is filled with enthusiasm to reform mankind, but who can not

support his own wife and family. Let the man first pull his own weight; let him support himself and those dependent upon him; he will find it at times a good deal of a job. When he has done this, he has laid the foundation for making himself a useful citizen in broader aspects. Now with the nation it is the same thing; we must have a basis of material prosperity on which to build, but woe to the nation which never rears on that foundation the superstructure of a higher life. General Lee, you, and those who fought beside you and those who fought against you are enshrined imperishably in the hearts of the people of the entire Union because, when the time came which called for you to risk all that you had — property, life, and all — for fealty to your ideals, you gladly spurned every other consideration, treated all else as naught in the balance compared to the chance to show your manhood on the field of battle. We honor you, we honor those who fought under you and those who fought against you, because they had that fine capacity to ignore everything else, life included, when honor called. But we need to have that spirit shown in civic life just as much as in military life. If ever our people become so sordid as to feel that all that counts is moneyed prosperity, ignoble well-being, effortless ease and comfort, then this nation shall perish, as it will deserve to perish, from the earth. In time of war we need the courage and disinterestedness of the highest type of soldier; in the ordinary times there is need that there shall be displayed a courage almost as high and even more steadfast. I say even more steadfast because, after all, a man can often pull himself up

to meet a single crisis, when he would find it mighty hard to live right along, day after day, year after year, doing well the plain, common every-day work of his life. But exactly as we need the courage of the soldier and the patriotism of the soldier, so we need a genuine, steadfast devotion to right in every man, not only in our public servants — as Mr. Williams said, the public servant is in the long run only what the Warwick behind him, the people, makes him — not only in our public servants, but in all of us, individually. We need to show the spirit which will neither tolerate nor yet inflict injustice; and, gentlemen, we need that spirit to manifest itself not merely in applauding noble sentiments uttered on the platform, but in living up to those sentiments when we get home. It does no good whatever to go to a public meeting and applaud utterances about civic righteousness and the high ideal, if the man applauding does not try measurably to realize them by his own efforts in his own life.

Mr. Williams has said that for a day we can sink all merely party differences. Since I have been President I have found that not merely for a day but for most of the time I needed to sink them because the differences of party are of infinitesimal importance compared to the great fundamentals of good citizenship upon which all American citizens should be united. We can afford to differ on the first questions only so long as we remember that difference on those questions must never be allowed to obscure our identity of feeling on the other and infinitely greater questions. We, as a nation, have great and terrible problems to confront us in the century

that is now opening. I do not believe that there is any other nation with a future as great as ours; but I believe in that future primarily because I believe that the average American citizen will bring to the solution of the political problems which confront us, the three cardinal virtues of honesty, courage and common-sense; and we shall need all three. In our highly complex industrial civilization of to-day we are confronted by certain ominous tendencies which must be met and overcome, not by indifference, not by a foolish optimism — which is but one degree less foolish than a foolish pessimism — but by a resolute purpose to face the evil, to recognize it, and then to overcome it. It has been well said that in the long run the most uncomfortable truth is a safer companion than the most pleasant falsehood. We must not bind ourselves to those tendencies which tell for evil in our modern life. There are plenty of them. Recognize them, and overcome them by the banded effort of the men who believe in public and private decency.

First and foremost, in our internal affairs let us strive steadily to secure absolute justice as between man and man without regard to the man's position, social or otherwise. Let us remember that justice can never be justice unless it is equal. Do justice to the rich man and exact justice from him; do justice to the poor man and exact justice from him — justice to the capitalist and justice to the wage-worker. Give each man every chance you can as long as he acts honestly; and if he acts dishonestly, hold him to the sharpest account, before the courts if it is possible, at the bar of public opinion when the case is one which

the courts can not reach. It is not an easy matter to do such justice. All the republics of antiquity failed in the end, as the Italian republics of the Middle Ages failed, because sooner or later they divided into two camps, one camp containing the poor who wished to plunder the rich, and the other the rich who wished to exploit the poor. When that division had once been accomplished, the downfall of the republic was at hand. It made no difference whether it was the rich that triumphed, or the mob that triumphed; the end had come in either case. This Republic of ours will survive because our people will not tolerate its being turned into either a government of a plutocracy, or the government of a mob; because by law and by the administration of the law we will punish the man of vast wealth who uses his wealth or acquires it in a way hostile to the interests of the people as a whole, and because under and through the law we will permit no mob rule in this land. Not only must we do justice to each man, but we must not be frightened out of doing justice merely because it happens to be advocated by somebody whom we do not like. I have an equally hearty aversion for the reactionary and the demagogue; but I am not going to be driven out of fealty to my principles because certain of them are championed by the reactionary and certain others by the demagogue. The reactionary is always strongly for the rights of property; so am I, and even if I do not like him I will protect him to the extent of my power if any man tries to wrong him, and I will not be driven away from championship of the rights of property upon which all our civilization rests because

they happen also to be championed by people who champion furthermore the abuses of wealth. And incidentally, I will try to help that reactionary in spite of himself, by correcting the abuses of which he is guilty and punishing him when he commits them; thereby doing more to safeguard the real rights of property than can be done in any other way. So with the demagogues. Most demagogues advocate some excellent popular principles, and nothing can be more foolish than for decent men to permit themselves to be put into an attitude of ignorant and perverse opposition to all reforms demanded in the name of the people because it happens that some of them are demanded by demagogues. No one man, no hundred or thousand men, can accomplish the kind of reform that I wish to see accomplished in our public life. It has got to come through the action of many executive, legislative, and judicial officers, each working in his own sphere; and while I agree heartily that the Constitution of the United States represents a fixed series of principles, yet I hold that in the name, in the interest, of the people it must be interpreted not as a straight-jacket, not as laying the hand of death upon our development, but as an instrument designed for the life and healthy growth of the nation. I want to see executive, legislator, judge, not only desire to do right, but able to do right. Sometimes executive and legislative officers are under temptation to yield too much to an improper public clamor. The temptation to the judge — the long term appointive or elective judge — is often just the reverse. The judge naturally, after he is on the bench, sees only people representing one small section of so-

ciety. I want to see on the bench judges who will know and feel for all of our people. If it is in New York I want to see the judge who knows and feels for the East Side as much as for Fifth Avenue. I take that instance merely because it is what I am acquainted with in my own home. It applies, with a change of name, everywhere through the country. Now I trust I need not say — but I will say — that I do not mean for one moment that the judge shall yield to the strongest kind of popular clamor if it conflicts with his own sense of right. If all the people demand that the judge do one thing and his conscience tells him that it is wrong, he is disloyal to the real interests of the people that demand that thing if he does it — and the same holds true of executive and legislator. I will uphold the judge's hands in every way, in dealing with mob violence, in conserving the rights of property, in disregarding popular clamor if popular clamor is wrong; but I want to see the judge a man knowing the needs of the people as a whole; sympathizing with the wage-worker because he knows what he needs, just as he sympathizes with the capitalist because he knows what he needs. I hope to see that standard obtain in the federal and state courts alike. We can exist as a nation only if we do justice in that way between ourselves.

THE BANK PANIC AND THE ROOSEVELT POLICY

FROM AN ADDRESS DELIVERED AT NASHVILLE, TENNESSEE, OCTOBER 22, 1907

I HAVE come down on this trip, friends, primarily in connection with the material development of this country. I wish to see the great main artery of the Mississippi, and its chief affluents, made navigable highways, open to all the people of the United States, as only waterways can be. I believe that that development will prove of immediate benefit to all the States along the Mississippi. I believe it will prove of ultimate benefit to all the States outside of the Mississippi Valley, because I am convinced that in the long run, disregarding minor exceptions due to exceptional circumstances, if benefit comes to any portion of the American Republic, the benefit in the end diffuses itself over the entire Republic. Ultimately as a Nation we shall all go up or go down together. That fact should be kept in mind, not only as we deal with the material interests that are so important but as we deal with the great moral and spiritual interests which must lie back of material well-being or else material well-being can count for but little. I do not wish to be misunderstood; I wish always to insist to our people individually, to the Nation as a whole, that there must be a certain amount of material well-being as a foundation and the more well-being you can have the better the foundation. I would not pay heed only to the things of the spirit; I

would pay heed to the things of the body too; but I would not pay heed to them alone. It is with a nation just as it is with a man. The man's first business is to earn enough to keep his wife and children, and I have scant patience with the man who is filled with lofty zeal for mankind at large but whose family is in want. Before such a man begins to reform mankind let him see that his wife and children are fairly well off. But he must not stop there. If he is content only to keep his own home well, and cares nothing for his neighbor, cares nothing for civic duty, then he represents an element which, if it prevails, means that this Nation goes down to destruction. In addition to each man caring for his own well-being and the well-being of his family, he must have that spirit of civic duty, that sense of civic righteousness, which will make his country dear to him, which will make the welfare of his fellows of moment in his eyes. So with our Nation. As a foundation, we must have material well-being, and I congratulate this State, I congratulate the Southern States, I congratulate the entire Union, upon the extraordinary material prosperity which as a Nation we have achieved. We have our ups and downs; no law and the administration of no law, can save any body of people from their own folly. If a section of the business world goes a little crazy, it will have to pay for it; and, being excessively human, when it does pay for it, it will want to blame some one else instead of itself. If at any time a portion of the business world loses its head, it has lost what no outside aid can supply. If there is reckless overspeculation, or dishonest business management, just

as sure as fate there will follow a partial collapse.

There has been trouble in the stock market, in the high financial world, during the past few months. The statement has frequently been made that the policies for which I stand, legislative and executive, are responsible for that trouble. Now, gentlemen, those policies of mine can be summed up in one brief sentence. They represent the effort to punish successful dishonesty. I doubt if those policies have had any material effect in bringing about the present trouble, but if they have, it will not alter in the slightest degree my determination that for the remaining sixteen months of my term those policies shall be persevered in unswervingly. I believe that in our business world, taken as a whole, the standard of honesty is high; but where dishonesty exists, I intend to cut it out, and if possible to punish the dishonest man. My aim is to make the average man, the average citizen, the planter, the farmer, the cattle breeder, the merchant, the professional man, the railroad man, the banker — every man who is really doing honest business in an honest way, big or little — to make that man feel that he must have a pride in his American citizenship, to make him realize what being an American should really amount to, to get into his soul the belief that he will not only receive justice, but that he will have a part in meeting out justice. If to arouse that type of civic manhood in our Nation it were necessary to suffer any temporary commercial depression, I should consider the cost but small. But, more than that, I do not for a moment admit that putting these policies into effect has had any

real consequence in bringing about such conditions as we have from time to time seen in the stock market. All we have done has been to unearth the wrong-doing. It was not the fact that it was unearthed that did the damage. It was the fact that it existed to be unearthed — that is what did the damage. All I did was to turn on the light. I am responsible for turning on the light, but I am not responsible for what the light showed. It is impossible to cut out a cancer without making the patient feel for a few days rather sicker than he felt before; but if it were not cut out the patient would die. No material well-being can save this Nation if it loses the lift toward higher things.

I am well aware that in any such movement as that in which we have been engaged there are sinister men who, taking advantage of the movement to do away with the abuses of wealth, seek to inflame the people against all men of wealth, honest or dishonest. These men are for the moment with us, but they are not of us. So in any movement to conserve property, we find ourselves shoulder to shoulder with some reactionaries whose desire to conserve property is accompanied by a purpose to prevent any correction of the abuses of property. But we can not afford to permit either the demagogue on one side or the reactionary on the other to drive us away from the course of policy which we regard as vital for the well-being of this Nation. The thing most important to remember is that that policy has two sides. It would indeed be an evil day for this Nation, it would indeed mean the beginning of the end of our National greatness, if we ever permitted in this Republic a

spirit which would discriminate against the honest man who achieves business success. There is nothing baser and meaner than to hate the honest man who prospers simply because he has prospered; and I challenge the support of every good American when I say that the honest railroad man, the honest banker, the honest business man, the man who makes a fortune because his exceptional business ability enables him to render exceptional service to the community — I challenge the support of every good American citizen when I say that such a man shall receive the amplest protection and be safeguarded against all injustice.

We are a representative government — executives, legislators, judges; all public servants are representatives of the people. We are bound to represent the will of the people, but we are bound still more to obey our own consciences; and if ever there is any gust of popular feeling that demands what is wrong, what is unrighteous, then the true servant of the people, the man who truly serves the interest of the people, is that man who disregards the wish of the people to do evil. Let the representative represent the people so long as he conscientiously can; when he can no longer do so, let him do what his conscience dictates, and cheerfully accept the penalty of retirement to private life. No man will stand more strongly than I will in the defence of property so long as it is honestly acquired and honestly used. I will stand against the poor man if he does wrong just as I will stand against the rich man if he does wrong. I will stand against crimes of brutal violence just as I stand against crimes of unscrupulous cun-

ning. Crime is crime, and it makes no difference whether the wrong is perpetrated by a plutocracy or by a mob, by a capitalist or by a wage-worker. There are certain men who affect to misunderstand my position on that point, who assert that I have talked against men of wealth as such, that I have incited attacks upon the class that owns great wealth. Those men are blind if they see the facts in such a light. I will protect in every way in my power honest property; I will protect the honest man of wealth to the extent of my ability; and in no way can I ultimately protect the honest man of wealth so effectively as by doing everything in my power to bring to justice his dishonest brother of wealth. It is a difficult matter to punish as they ought to be punished the crimes of unscrupulous cunning committed by men of great wealth. It is a difficult matter to punish as he should be punished the man who at the head of a great business or at the head of a great railroad does wrong to the whole body politic by his management of that property. It is difficult because as yet we hardly have the proper laws, and still more because the people themselves through their representatives and personally do not yet fully realize how serious the crimes are which are committed in this fashion. The man who builds a railroad where it is needed and runs it honestly is a benefactor who is entitled to an ample reward for what he has done. We should back him up, protect him against unjust attacks. But the man who manipulates the securities of that road so as to swindle the outside public, or the stockholders or investors of any kind, or the shippers, or to op-

press the wage-workers, or to swindle the people at large — that man is doing all that he can to bring down in ruin the fabric of our institutions, and it is our business to set our faces like flint against his wrong-doing, to endeavor to undo that wrong-doing in the interest of the people as a whole, and primarily in the interest of the honest man of means.

Remember this, that atonement in this world is largely vicarious; if wrong-doing is allowed to prosper, much of the penalty is in the end paid by innocent men. If we sit supine and let men of great wealth set before the country as a whole the standard of successful dishonesty so that young men are taught to think of business trickery, of evasion and violation of the law, of stock gambling and swindling, as the chief roads to financial success, not only do we bring about a deterioration of the public conscience as a whole, but as sure as fate we ultimately invite an ignorant and violent reaction which in trampling out the wrongs will trample out much right at the same time, which in punishing the wealthy wrong-doer will inflict the punishment so brutally and so unskilfully as to confound in it many men who have done decently and well. We should stop the process of gaining wealth by successful dishonesty, before it goes so far as to invite the very reaction which I dread; and the men of property, the men of great means, will do well to turn about and in the heartiest way back up a rational movement for reform, a rational movement for such supervision and control over the accumulation and abuse of these great fortunes as will, if not eliminate, at least minimize the evils of which I complain. Such

a movement as that in which we are now engaged is not undertaken with any vindictive purpose; it is undertaken only to cure evils and to prevent their recurrence. If the beneficiaries of those evils succeeded in stopping the movement, it would merely mean that in a very few years it would break forth again, and then it would probably be in the control of men who would legislate with a vindictive purpose, who would legislate and act as executives with a desire to hurt and damage the men at whom the movement was aimed. There has been no movement that can be more properly described as conservative, using the word with its real significance, than the movement which we have seen develop during the last four or five years, the movement for proper supervision and control, in the interests of the general public, of those colossal fortunes which, singly or in combination, are of such tremendous importance in the modern industrial world; to so control and supervise them that, in their accumulation and their business use, there shall be, as far as we can prevent it, no wrong done to the small man, whether that small man is a competitor, a wage-worker, or an investor. In other words, gentlemen, our whole movement is simply and solely to make the decalogue and the golden rule of some practical moment in both the business and the political life of the community.

THE BANK PANIC AND FEDERAL SUPERVISION OF CORPORATIONS

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF CONGRESS, DECEMBER 3, 1907

No nation has greater resources than ours, and I think it can be truthfully said that the citizens of no nation possess greater energy and industrial ability. In no nation are the fundamental business conditions sounder than in ours at this very moment; and it is foolish, when such is the case, for people to hoard money instead of keeping it in sound banks; for it is such hoarding that is the immediate occasion of money stringency. Moreover, as a rule, the business of our people is conducted with honesty and probity, and this applies alike to farms and factories, to railroads and banks, to all our legitimate commercial enterprises.

In any large body of men, however, there are certain to be some who are dishonest, and if the conditions are such that these men prosper or commit their misdeeds with impunity, their example is a very evil thing for the community. Where these men are business men of great sagacity and of temperament both unscrupulous and reckless, and where the conditions are such that they act without supervision or control and at first without effective check from public opinion, they delude many innocent people into making investments or embarking in kinds of business that are really unsound. When the misdeeds of these successfully dishonest men are dis-

covered, suffering comes not only upon them but upon the innocent men whom they have misled. It is a painful awakening, whenever it occurs; and, naturally, when it does occur those who suffer are apt to forget that the longer it was deferred the more painful it would be. In the effort to punish the guilty it is both wise and proper to endeavor so far as possible to minimize the distress of those who have been misled by the guilty. Yet it is not possible to refrain because of such distress from striving to put an end to the misdeeds that are the ultimate causes of the suffering, and, as a means to this end, where possible to punish those responsible for them. There may be honest differences of opinion as to many governmental policies; but surely there can be no such differences as to the need of unflinching perseverance in the war against successful dishonesty.

In my message to the Congress on December 5, 1905, I said:

"If the folly of man mars the general well-being, then those who are innocent of the folly will have to pay part of the penalty incurred by those who are guilty of the folly. A panic brought on by the speculative folly of part of the business community would hurt the whole business community; but such stoppage of welfare, though it might be severe, would not be lasting. In the long run, the one vital factor in the permanent prosperity of the country is the high individual character of the average American worker, the average American citizen, no matter whether his work be mental or manual, whether he be farmer or wage-worker, business man or professional man.

"In our industrial and social system the interests of all men are so closely intertwined that in the immense majority of cases a straight-dealing man, who by his efficiency, by his ingenuity and industry, benefits himself, must also benefit others. Normally, the man of great productive capacity who becomes rich by guiding the labor of many other men does so by enabling them to produce more than they could produce without his guidance; and both he and they share in the benefit which comes also to the public at large. The superficial fact that the sharing may be unequal must never blind us to the underlying fact that there is this sharing, and that the benefit comes in some degree to each man concerned. Normally, the wage-worker, the man of small means, and the average consumer, as well as the average producer, are all alike helped by making conditions such that the man of exceptional business ability receives an exceptional reward for his ability. Something can be done by legislation to help the general prosperity; but no such help of a permanently beneficial character can be given to the less able and less fortunate save as the results of a policy which shall inure to the advantage of all industrious and efficient people who act decently; and this is only another way of saying that any benefit which comes to the less able and less fortunate must of necessity come even more to the more able and more fortunate. If, therefore, the less fortunate man is moved by envy of his more fortunate brother to strike at the conditions under which they have both, though unequally, prospered, the result will assuredly be that while damage may come to the one struck at, it will visit with an even

heavier load the one who strikes the blow. Taken as a whole, we must all go up or go down together.

"Yet, while not merely admitting, but insisting upon this, it is also true that where there is no governmental restraint or supervision some of the exceptional men use their energies, not in ways that are for the common good, but in ways which tell against this common good. The fortunes amassed through corporate organization are now so large, and vest such power in those that wield them, as to make it a matter of necessity to give to the sovereign — that is, to the Government, which represents the people as a whole — some effective power of supervision over their corporate use. In order to ensure a healthy social and industrial life, every big corporation should be held responsible by, and be accountable to, some sovereign strong enough to control its conduct. I am in no sense hostile to corporations. This is an age of combination, and any effort to prevent all combination will be not only useless but in the end vicious, because of the contempt for law which the failure to enforce law inevitably produces. We should, moreover, recognize in cordial and ample fashion the immense good effected by corporate agencies in a country such as ours, and the wealth of intellect, energy, and fidelity devoted to their service, and therefore normally to the service of the public, by their officers and directors. The corporation has come to stay, just as the trade union has come to stay. Each can do and has done great good. Each should be favored so long as it does good. But each should be sharply checked where it acts against law and justice.

". . . The makers of our National Constitution provided especially that the regulation of interstate commerce should come within the sphere of the General Government. The arguments in favor of their taking this stand were even then overwhelming. But they are far stronger to-day, in view of the enormous development of great business agencies, usually corporate in form. Experience has shown conclusively that it is useless to try to get any adequate regulation and supervision of these great corporations by State action. Such regulation and supervision can only be effectively exercised by a sovereign whose jurisdiction is coextensive with the field of work of the corporations — that is, by the National Government. I believe that this regulation and supervision can be obtained by the enactment of law by the Congress. . . . Our steady aim should be by legislation, cautiously and carefully undertaken, but resolutely persevered in, to assert the sovereignty of the National Government by affirmative action.

"This is only in form an innovation. In substance it is merely a restoration; for from the earliest time such regulation of industrial activities has been recognized in the action of the lawmaking bodies; and all that I propose is to meet the changed conditions in such manner as will prevent the Commonwealth abdicating the power it has always possessed, not only in this country, but also in England before and since this country become a separate nation.

"It has been a misfortune that the National laws on this subject have hitherto been of a negative or prohibitive rather than an affirmative

kind, and still more that they have in part sought to prohibit what could not be effectively prohibited, and have in part in their prohibitions confounded what should be allowed and what should not be allowed. It is generally useless to try to prohibit all restraint on competition, whether this restraint be reasonable or unreasonable; and where it is not useless it is generally hurtful. . . . The successful prosecution of one device to evade the law immediately develops another device to accomplish the same purpose. What is needed is not sweeping prohibition of every arrangement, good or bad, which may tend to restrict competition, but such adequate supervision and regulation as will prevent any restriction of competition from being to the detriment of the public, as well as such supervision and regulation as will prevent other abuses in no way connected with restriction of competition."

I have called your attention in these quotations to what I have already said because I am satisfied that it is the duty of the National Government to embody in action the principles thus expressed.

No small part of the trouble that we have comes from carrying to an extreme the national virtue of self-reliance, of independence in initiative and action. It is wise to conserve this virtue and to provide for its fullest exercise, compatible with seeing that liberty does not become a liberty to wrong others. Unfortunately, this is the kind of liberty that the lack of all effective regulation inevitably breeds. The founders of the Constitution provided that the

National Government should have complete and sole control of interstate commerce. There was then practically no interstate business save such as was conducted by water, and this the National Government at once proceeded to regulate in thoroughgoing and effective fashion. Conditions have now so wholly changed that the interstate commerce by water is insignificant compared with the amount that goes by land, and almost all big business concerns are now engaged in interstate commerce. As a result, it can be but partially and imperfectly controlled or regulated by the action of any one of the several States; such action inevitably tending to be either too drastic or else too lax, and in either case ineffective for purposes of justice. Only the National Government can in thoroughgoing fashion exercise the needed control. This does not mean that there should be any extension of Federal authority, for such authority already exists under the Constitution in amplest and most far-reaching form; but it does mean that there should be an extension of Federal activity. This is not advocating centralization. It is merely looking facts in the face, and realizing that centralization in business has already come and can not be avoided or undone, and that the public at large can only protect itself from certain evil effects of this business centralization by providing better methods for the exercise of control through the authority already centralized in the National Government by the Constitution itself. There must be no halt in the healthy constructive course of action which this Nation has elected to pursue, and has steadily pursued, during the last six years, as

shown both in the legislation of the Congress and the administration of the law by the Department of Justice. The most vital need is in connection with the railroads. As to these in my judgment there should now be either a national incorporation act or a law licensing railway companies to engage in interstate commerce upon certain conditions. The law should be so framed as to give to the Interstate Commerce Commission power to pass upon the future issue of securities while ample means should be provided to enable the Commission, whenever in its judgment it is necessary, to make a physical valuation of any railroad. As I stated in my message to the Congress a year ago, railroads should be given power to enter into agreements, subject to these agreements being made public in minute detail and to the consent of the Interstate Commerce Commission being first obtained. Until the National Government assumes proper control of interstate commerce, in the exercise of the authority it already possesses, it will be impossible either to give to or to get from the railroads full justice. The railroads and all other great corporations will do well to recognize that this control must come; the only question is as to what governmental body can most wisely exercise it. The courts will determine the limits within which the Federal authority can exercise it, and there will still remain ample work within each State for the railway commission of that State; and the National Interstate Commerce Commission will work in harmony with the several State commissions, each within its own province, to achieve the desired end.

Moreover, in my judgment there should be additional legislation looking to the proper control of the great business concerns engaged in interstate business, this control to be exercised for their own benefit and prosperity no less than for the protection of investors and of the general public. As I have repeatedly said in messages to the Congress and elsewhere, experience has definitely shown not merely the unwisdom but the futility of endeavoring to put a stop to all business combinations. Modern industrial conditions are such that combination is not only necessary but inevitable. It is so in the world of business just as it is so in the world of labor, and it is as idle to desire to put an end to all corporations, to all big combinations of capital, as to desire to put an end to combinations of labor. Corporation and labor union alike have come to stay. Each if properly managed is a source of good and not evil. Whenever in either there is evil, it should be promptly held to account; but it should receive hearty encouragement so long as it is properly managed. It is profoundly immoral to put or keep on the statute books a law, nominally in the interest of public morality, that really puts a premium upon public immorality by undertaking to forbid honest men from doing what must be done under modern business conditions, so that the law itself provides that its own infraction must be the condition precedent upon business success. To aim at the accomplishment of too much usually means the accomplishment of too little, and often the doing of positive damage. In my message to the Congress a year ago, in speaking of the antitrust laws, I said:

"The actual working of our laws has shown that the effort to prohibit all combination, good or bad, is noxious where it is not ineffective. Combination of capital, like combination of labor, is a necessary element in our present industrial system. It is not possible completely to prevent it; and if it were possible, such complete prevention would do damage to the body politic. What we need is not vainly to try to prevent all combination, but to secure such rigorous and adequate control and supervision of the combinations as to prevent their injuring the public, or existing in such forms as inevitably to threaten injury. . . . It is unfortunate that our present laws should forbid all combinations instead of sharply discriminating between those combinations which do good and those combination which do evil. . . . Often railroads would like to combine for the purpose of preventing a big shipper from maintaining improper advantages at the expense of small shippers and of the general public. Such a combination, instead of being forbidden by law, should be favored. . . . It is a public evil to have on the statute books a law incapable of full enforcement, because both judges and juries realize that its full enforcement would destroy the business of the country; for the result is to make decent men violators of the law against their will, and to put a premium on the behavior of the willful wrong-doers. Such a result in turn tends to throw the decent man and the willful wrong-doer into close association, and in the end to drag down the former to the latter's level; for the man who becomes a lawbreaker in one way unhappily tends to lose

all respect for law and to be willing to break it in many ways. No more scathing condemnation could be visited upon a law than is contained in the words of the Interstate Commerce Commission when, in commenting upon the fact that the numerous joint traffic associations do technically violate the law, they say: 'The decision of the United States Supreme Court in the Trans-Missouri case and the Joint Traffic Association case has produced no practical effect upon the railway operations of the country. Such associations, in fact, exist now as they did before these decisions, and with the same general effect. In justice to all parties, we ought probably to add that it is difficult to see how our interstate railways could be operated with due regard to the interest of the shipper and the railway without concerted action of the kind afforded through these associations.'

"This means that the law as construed by the Supreme Court is such that the business of the country can not be conducted without breaking it."

As I have elsewhere said:

"All this is substantially what I have said over and over again. Surely it ought not to be necessary to say that it in no shape or way represents any hostility to corporations as such. On the contrary, it means a frank recognition of the fact that combinations of capital, like combinations of labor, are a natural result of modern conditions and of our National development. As far as in my ability lies my endeavor is and will be to prevent abuse of power by either and to favor both so long as they do well. The aim of the National Government is quite as much to

favor and protect honest corporations, honest business men of wealth, as to bring to justice those individuals and corporations representing dishonest methods. Most certainly there will be no relaxation by the Government authorities in the effort to get at any great railroad wrecker — any man who by clever swindling devices robs investors, oppresses wage-workers, and does injustice to the general public. But any such move as this is in the interest of honest railway operators, of honest corporations, and of those who, when they invest their small savings in stocks and bonds, wish to be assured that these will represent money honestly expended for legitimate business purposes. To confer upon the National Government the power for which I ask would be a check upon overcapitalization and upon the clever gamblers who benefit by overcapitalization. But it alone would mean an increase in the value, an increase in the safety of the stocks and bonds of law-abiding, honestly managed railroads and would render it far easier to market their securities. I believe in proper publicity. There has been complaint of some of the investigations recently carried on, but those who complain should put the blame where it belongs — upon the misdeeds which are done in darkness and not upon the investigations which brought them to light. The Administration is responsible for turning on the light, but it is not responsible for what the light showed. I ask for full power to be given the Federal Government because no single State can by legislation effectually cope with these powerful corporations engaged in interstate commerce, and, while doing them full justice, exact from them

in return full justice to others. The conditions of railroad activity, the conditions of our immense interstate commerce are such as to make the Central Government alone competent to exercise full supervision and control.

"The grave abuses in individual cases of railroad management in the past represent wrongs not merely to the general public, but, above all, wrongs to fair-dealing and honest corporations and men of wealth, because they excite a popular anger and distrust which from the very nature of the case tends to include in the sweep of its resentment good and bad alike. From the standpoint of the public I can not too earnestly say that as soon as the natural and proper resentment aroused by these abuses becomes indiscriminate and unthinking, it also becomes not merely unwise and unfair, but calculated to defeat the very ends which those feeling it have in view. There has been plenty of dishonest work by corporations in the past. There will not be the slightest let-up in the effort to hunt down and punish every dishonest man. But the bulk of our business is honestly done. In the natural indignation the people feel over the dishonesty, it is all essential that they should not lose their heads and get drawn into an indiscriminate raid upon all corporations, all people of wealth, whether they do well or ill. Out of any such wild movement good will not come, can not come, and never has come. On the contrary, the surest way to invite reaction is to follow the lead of either demagogue or visionary in a sweeping assault upon property values and upon public confidence, which would work incalculable damage in the business world and

would produce such distrust of the agitators that in the revulsion the distrust would extend to honest men who, in sincere and sane fashion, are trying to remedy the evils."

The antitrust law should not be repealed; but it should be made both more efficient and more in harmony with actual conditions. It should be so amended as to forbid only the kind of combination which does harm to the general public, such amendment to be accompanied by, or to be an incident of, a grant of supervisory power to the Government over these big concerns engaged in interstate business. This should be accompanied by provision for the compulsory publication of accounts and the subjection of books and papers to the inspection of the Government officials. A beginning has already been made for such supervision by the establishment of the Bureau of Corporations.

The antitrust law should not prohibit combinations that do no injustice to the public, still less those the existence of which is on the whole of benefit to the public. But even if this feature of the law were abolished, there would remain as an equally objectionable feature the difficulty and delay now incident to its enforcement. The Government must now submit to irksome and repeated delay before obtaining a final decision of the courts upon proceedings instituted, and even a favorable decree may mean an empty victory. Moreover, to attempt to control these corporations by lawsuits means to impose upon both the Department of Justice and the courts an impossible burden; it is not feasible to carry on more than a limited number of such suits. Such a law to be really effective must of course

be administered by an executive body, and not merely by means of lawsuits. The design should be to prevent the abuses incident to the creation of unhealthy and improper combinations, instead of waiting until they are in existence and then attempting to destroy them by civil or criminal proceedings.

A combination should not be tolerated if it abuse the power acquired by combination to the public detriment. No corporation or association of any kind should be permitted to engage in foreign or interstate commerce that is formed for the purpose of, or whose operations create, a monopoly or general control of the production, sale, or distribution of any one or more of the prime necessities of life or articles of general use and necessity. Such combinations are against public policy; they violate the common law; the doors of the courts are closed to those who are parties to them; and I believe the Congress can close the channels of interstate commerce against them for its protection. The law should make its prohibitions and permissions as clear and definite as possible, leaving the least possible room for arbitrary action, or allegation of such action, on the part of the Executive, or of divergent interpretations by the courts. Among the points to be aimed at should be the prohibition of unhealthy competition, such as by rendering service at an actual loss for the purpose of crushing out competition, the prevention of inflation of capital, and the prohibition of a corporation's making exclusive trade with itself a condition of having any trade with itself. Reasonable agreements between, or combina-

tions of, corporations should be permitted, provided they are first submitted to and approved by some appropriate Government body.

The Congress has the power to charter corporations to engage in interstate and foreign commerce, and a general law can be enacted under the provisions of which existing corporations could take out Federal charters and new Federal corporations could be created. An essential provision of such a law should be a method of predetermining by some Federal board or commission whether the applicant for a Federal charter was an association or combination within the restrictions of the Federal law. Provision should also be made for complete publicity in all matters affecting the public and complete protection to the investing public and the shareholders in the matter of issuing corporate securities. If an incorporation law is not deemed advisable, a license act for big interstate corporations might be enacted; or a combination of the two might be tried. The supervision established might be analogous to that now exercised over national banks. At least, the antitrust act should be supplemented by specific prohibitions of the methods which experience has shown have been of most service in enabling monopolistic combinations to crush out competition. The real owners of a corporation should be compelled to do business in their own name. The right to hold stock in other corporations should hereafter be denied to interstate corporations unless on approval by the proper Government officials, and a prerequisite to such approval should be the listing with the Government of all

owners and stockholders, both by the corporation owning such stock and by the corporation in which such stock is owned.

To confer upon the National Government, in connection with the amendment I advocate in the antitrust law, power of supervision over big business concerns engaged in interstate commerce, would benefit them as it had benefited the national banks. In the recent business crisis it is noteworthy that the institutions which failed were institutions which were not under the supervision and control of the National Government. Those which were under National control stood the test.

National control of the kind above advocated would be to the benefit of every well-managed railway. From the standpoint of the public there is need for additional tracks, additional terminals, and improvements in the actual handling of the railroads, and all this as rapidly as possible. Ample, safe, and speedy transportation facilities are even more necessary than cheap transportation. Therefore, there is need for the investment of money which will provide for all these things while at the same time securing as far as is possible better wages and shorter hours for their employees. Therefore, while there must be just and reasonable regulation of rates, we should be the first to protest against any arbitrary and unthinking movement to cut them down without the fullest and most careful consideration of all interests concerned and of the actual needs of the situation. Only a special body of men acting for the National Government under authority conferred upon it by the

Congress is competent to pass judgment on such a matter.

Those who fear, from any reason, the extension of Federal activity will do well to study the history not only of the national banking act but of the pure-food law, and notably the meat-inspection law recently enacted. The pure-food law was opposed so violently that its passage was delayed for a decade; yet it has worked unmixed and immediate good. The meat-inspection law was even more violently assailed; and the same men who now denounce the attitude of the National Government in seeking to oversee and control the workings of interstate common carriers and business concerns, then asserted that we were "discrediting and ruining a great American industry." Two years have not elapsed, and already it has become evident that the great benefit the law confers upon the public is accompanied by an equal benefit to the reputable packing establishments. The latter are better off under the law than they were without it. The benefit to interstate common carriers and business concerns from the legislation I advocate would be equally marked.

Incidentally, in the passage of the pure-food law the action of the various State food and dairy commissioners showed in striking fashion how much good for the whole people results from the hearty co-operation of the Federal and State officials in securing a given reform. It is primarily to the action of these State commissioners that we owe the enactment of this law; for they aroused the people, first to demand the

enactment and enforcement of State laws on the subject, and then the enactment of the Federal law, without which the State laws were largely ineffective. There must be the closest co-operation between the National and State governments in administering these laws.

REVISION OF THE CURRENCY LAWS

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

In my message to the Congress a year ago I spoke as follows of the currency:

"I especially call your attention to the condition of our currency laws. The national-bank act has ably served a great purpose in aiding the enormous business development of the country, and within ten years there has been an increase in circulation per capita from $21.41 to $33.08. For several years evidence has been accumulating that additional legislation is needed. The recurrence of each crop season emphasizes the defects of the present laws. There must soon be a revision of them, because to leave them as they are means to incur liability of business disaster. Since your body adjourned there has been a fluctuation in the interest on call money from 2 per cent to 30 per cent, and the fluctuation was even greater during the preceding six months. The Secretary of the Treasury had to step in and by wise action put a stop to the most violent period of oscillation. Even worse than such fluctuation is the advance in the commercial rates and the uncertainty felt in the suffi-

ciency of credit even at high rates. All commercial interests suffer during each crop period. Excessive rates for call money in New York attract money from the interior banks into the speculative field. This depletes the fund that would otherwise be available for commercial uses, and commercial borrowers are forced to pay abnormal rates so that each fall a tax, in the shape of increased interest charges, is placed on the whole commerce of the country.

"The mere statement of these facts shows that our present system is seriously defective. There is need of a change. Unfortunately, however, many of the proposed changes must be ruled from consideration because they are complicated, are not easy of comprehension, and tend to disturb existing rights and interests. We must also rule out any plan which would materially impair the value of the United States two per cent. bonds now pledged to secure circulation, the issue of which was made under conditions peculiarly creditable to the Treasury. I do not press any especial plan. Various plans have recently been proposed by expert committees of bankers. Among the plans which are possibly feasible and which certainly should receive your consideration is that repeatedly brought to your attention by the present Secretary of the Treasury, the essential features of which have been approved by many prominent bankers and business men. According to this plan national banks should be permitted to issue a specified proportion of their capital in notes of a given kind, the issue to be taxed at so high a rate as to drive the notes back when not wanted in legitimate trade. This plan would not permit the is-

sue of currency to give banks additional profits, but to meet the emergency presented by times of stringency.

"I do not say that this is the right system. I only advance it to emphasize my belief that there is need for the adoption of some system which shall be automatic and open to all sound banks, so as to avoid all possibility of discrimination and favoritism. Such a plan would tend to prevent the spasms of high money and speculation which now obtain in the New York market; for at present there is too much currency at certain seasons of the year, and its accumulation at New York tempts bankers to lend it at low rates for speculative purposes; whereas at other times when the crops are being moved there is urgent need for a large but temporary increase in the currency supply. It must never be forgotten that this question concerns business men generally quite as much as bankers; especially is this true of stockmen, farmers, and business men in the West; for at present at certain seasons of the year the difference in interest rates between the East and the West is from 6 to 10 per cent, whereas in Canada the corresponding difference is but 2 per cent. Any plan must, of course, guard the interests of Western and Southern bankers as carefully as it guards the interests of New York or Chicago bankers, and must be drawn from the standpoints of the farmer and the merchant no less than from the standpoints of the city banker and the country banker."

I again urge on the Congress the need of immediate attention to this matter. We need a greater elasticity in our currency; provided, of

course, that we recognize the even greater need of a safe and secure currency. There must always be the most rigid examination by the National authorities. Provision should be made for an emergency currency. The emergency issue should, of course, be made with an effective guaranty, and upon conditions carefully prescribed by the Government. Such emergency issue must be based on adequate securities approved by the Government, and must be issued under a heavy tax. This would permit currency being issued when the demand for it was urgent, while securing its retirement as the demand fell off. It is worth investigating to determine whether officers and directors of national banks should ever be allowed to loan to themselves. Trust companies should be subject to the same supervision as banks; legislation to this effect should be enacted for the District of Columbia and the Territories.

Yet we must also remember that even the wisest legislation on the subject can only accomplish a certain amount. No legislation can by any possibility guarantee the business community against the results of speculative folly any more than it can guarantee an individual against the results of his extravagance. When an individual mortgages his house to buy an automobile he invites disaster; and when wealthy men, or men who pose as such, or are unscrupulously or foolishly eager to become such, indulge in reckless speculation — especially if it is accompanied by dishonesty — they jeopardize not only their own future but the future of all their innocent fellow-citizens, for they expose the whole business community to panic and distress.

REVISION OF THE TARIFF SCHEDULES

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

THE income account of the Nation is in a most satisfactory condition. For the six fiscal years ending with the 1st of July last, the total expenditures and revenues of the National Government, exclusive of the postal revenues and expenditures, were, in round numbers: revenues, $3,465,000,000, and expenditures, $3,275,000,000. The net excess of income over expenditures, including in the latter the fifty millions expended for the Panama Canal, was one hundred and ninety million dollars for the six years, an average of about thirty-one millions a year. This represents an approximation between income and outgo which it would be hard to improve. The satisfactory working of the present tariff law has been chiefly responsible for this excellent showing. Nevertheless, there is an evident and constantly growing feeling among our people that the time is rapidly approaching when our system of revenue legislation must be revised.

This country is definitely committed to the protective system and any effort to uproot it could not but cause widespread industrial disaster. In other words, the principle of the present tariff law could not with wisdom be changed. But in a country of such phenomenal growth as ours it is probably well that every dozen years

or so the tariff laws should be carefully scrutinized so as to see that no excessive or improper benefits are conferred thereby, that proper revenue is provided, and that our foreign trade is encouraged. There must always be as a minimum a tariff which will not only allow for the collection of an ample revenue but which will at least make good the difference in cost of production here and abroad; that is, the difference in the labor cost here and abroad, for the well-being of the wage-worker must ever be a cardinal point of American policy. The question should be approached purely from a business standpoint; both the time and the manner of the change being such as to arouse the minimum of agitation and disturbance in the business world, and to give the least play for selfish and factional motives. The sole consideration should be to see that the sum total of changes represents the public good. This means that the subject can not with wisdom be dealt with in the year preceding a Presidential election, because as a matter of fact experience has conclusively shown that at such a time it is impossible to get men to treat it from the standpoint of the public good. In my judgment the wise time to deal with the matter is immediately after such election.

TAXING INCOMES AND INHERITANCES

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

When our tax laws are revised the question of an income tax and an inheritance tax should

receive the careful attention of our legislators. In my judgment both of these taxes should be part of our system of Federal taxation. I speak diffidently about the income tax because one scheme for an income tax was declared unconstitutional by the Supreme Court; while in addition it is a difficult tax to administer in its practical working, and great care would have to be exercised to see that it was not evaded by the very men whom it was most desirable to have taxed, for if so evaded it would, of course, be worse than no tax at all; as the least desirable of all taxes is the tax which bears heavily upon the honest as compared with the dishonest man. Nevertheless, a graduated income tax of the proper type would be a desirable feature of Federal taxation, and it is to be hoped that one may be devised which the Supreme Court will declare constitutional. The inheritance tax, however, is both a far better method of taxation, and far more important for the purpose of having the fortunes of the country bear in proportion to their increase in size a corresponding increase and burden of taxation. The Government has the absolute right to decide as to the terms upon which a man shall receive a bequest or devise from another, and this point in the devolution of property is especially appropriate for the imposition of a tax. Laws imposing such taxes have repeatedly been placed upon the National statute books and as repeatedly declared constitutional by the courts; and these laws contained the progressive principle, that is, after a certain amount is reached the bequest or gift, in life or death, is increasingly burdened and the rate of taxation is increased in proportion to the

remoteness of blood of the man receiving the bequest. These principles are recognized already in the leading civilized nations of the world. In Great Britain all the estates worth $5,000 or less are practically exempt from death duties, while the increase is such that when an estate exceeds five millions of dollars in value and passes to a distant kinsman or stranger in blood the Government receives all told an amount equivalent to nearly a fifth of the whole estate. In France so much of an inheritance as exceeds $10,000,000 pays over a fifth to the State if it passes to a distant relative. The German law is especially interesting to us because it makes the inheritance tax an imperial measure while allotting to the individual States of the Empire a portion of the proceeds and permitting them to impose taxes in addition to those imposed by the Imperial Government. Small inheritances are exempt, but the tax is so sharply progressive that when the inheritance is still not very large, provided it is not an agricultural or a forest land, it is taxed at the rate of 25 per cent. if it goes to distant relatives. There is no reason why in the United States the National Government should not impose inheritance taxes in addition to those imposed by the States, and when we last had an inheritance tax about one-half of the States levied such taxes concurrently with the National Government, making a combined maximum rate, in some cases as high as 25 per cent. The French law has one feature which is to be heartily commended. The progressive principle is so applied that each higher rate is imposed only on the excess above the amount subject to the next lower rate; so that

each increase of rate will apply only to a certain amount above a certain maximum. The tax should if possible be made to bear more heavily upon those residing without the country than within it. A heavy progressive tax upon a very large fortune is in no way such a tax upon thrift or industry as a like tax would be on a small fortune. No advantage comes either to the country as a whole or to the individuals inheriting the money by permitting the transmission in their entirety of the enormous fortunes which would be affected by such a tax; and as an incident to its function of revenue raising, such a tax would help to preserve a measurable equality of opportunity for the people of the generations growing to manhood. We have not the slightest sympathy with that socialistic idea which would try to put laziness, thriftlessness, and inefficiency on a par with industry, thrift, and efficiency, which would strive to break up not merely private property, but what is far more important, the home, the chief prop upon which our whole civilization stands. Such a theory, if ever adopted, would mean the ruin of the entire country — a ruin which would bear heaviest upon the weakest, upon those least able to shift for themselves. But proposals for legislation such as this herein advocated are directly opposed to this class of socialistic theories. Our aim is to recognize what Lincoln pointed out: The fact that there are some respects in which men are obviously not equal; but also to insist that there should be an equality of self-respect and of mutual respect, an equality of rights before the law, and at least an approximate equality in the conditions under which each man ob-

tains the chance to show the stuff that is in him when compared to his fellows.

PUBLIC SENTIMENT AND THE LAW

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

A FEW years ago there was loud complaint that the law could not be invoked against wealthy offenders. There is no such complaint now. The course of the Department of Justice during the last few years has been such as to make it evident that no man stands above the law, that no corporation is so wealthy that it can not be held to account. The Department of Justice has been as prompt to proceed against the wealthiest malefactor whose crime was one of greed and cunning as to proceed against the agitator who incites to brutal violence. Everything that can be done under the existing law, and with the existing state of public opinion, which so profoundly influences both the courts and juries, has been done. But the laws themselves need strengthening in more than one important point; they should be made more definite, so that no honest man can be led unwittingly to break them, and so that the real wrongdoer can be readily punished.

Moreover there must be the public opinion back of the laws or the laws themselves will be of no avail. At present, while the average juryman undoubtedly wishes to see trusts broken up, and is quite ready to fine the corporation itself, he is very reluctant to find the facts proven be-

yond a reasonable doubt when it comes to sending to jail a member of the business community for indulging in practices which are profoundly unhealthy, but which, unfortunately, the business community has grown to recognize as wellnigh normal. Both the present condition of the law and the present temper of juries render it a task of extreme difficulty to get at the real wrong-doer in any such case, especially by imprisonment. Yet it is from every standpoint far preferable to punish the prime offender by imprisonment rather than to fine the corporation, with the attendant damage to stockholders.

The two great evils in the execution of our criminal laws to-day are sentimentality and technicality. For the latter the remedy must come from the hands of the legislatures, the courts, and the lawyers. The other must depend for its cure upon the gradual growth of a sound public opinion which shall insist that regard for the law and the demands of reason shall control all other influences and emotions in the jury box. Both of these evils must be removed or public discontent with the criminal law will continue.

ABUSE OF INJUNCTIONS IN LABOR DISPUTES

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

INSTANCES of abuse in the granting of injunctions in labor disputes continue to occur, and the resentment in the minds of those who feel that their rights are being invaded and their liberty

of action and of speech unwarrantably restrained continues likewise to grow. Much of the attack on the use of the process of injunction is wholly without warrant; but I am constrained to express the belief that for some of it there is warrant. This question is becoming more and more one of prime importance, and unless the courts will themselves deal with it in an effective manner, it is certain ultimately to demand some form of legislative action. It would be most unfortunate for our social welfare if we should permit many honest and law-abiding citizens to feel that they had just cause for regarding our courts with hostility. I earnestly commend to the attention of the Congress this matter, so that some way may be devised which will limit the abuse of injunctions and protect those rights which from time to time it unwarrantably invades. Moreover, discontent is often expressed with the use of the process of injunction by the courts, not only in labor disputes, but where State laws are concerned. I refrain from discussion of this question as I am informed that it will soon receive the consideration of the Supreme Court.

The Federal courts must of course decide ultimately what are the respective spheres of State and Nation in connection with any law, State or National, and they must decide definitely and finally in matters affecting individual citizens, not only as to the rights and wrongs of labor but as to the rights and wrongs of capital; and the National Government must always see that the decision of the court is put into effect. The process of injunction is an essential adjunct of the court's doing its work well; and as preven-

tive measures are always better than remedial, the wise use of this process is from every standpoint commendable. But where it is recklessly or unnecessarily used, the abuse should be censured, above all by the very men who are properly anxious to prevent any effort to shear the courts of this necessary power. The court's decision must be final, the protest is only against the conduct of individual judges in needlessly anticipating such final decision, or in the tyrannical use of what is nominally a temporary injunction to accomplish what is in fact a permanent decision.

RAILROAD ACCIDENTS

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

THE loss of life and limb from railroad accidents in this country has become appalling. It is a subject of which the National Government should take supervision. It might be well to begin by providing for a Federal inspection of interstate railroads somewhat along the lines of Federal inspection of steamboats, although not going so far; perhaps at first all that it would be necessary to have would be some officer whose duty would be to investigate all accidents on interstate railroads and report in detail the causes thereof. Such an officer should make it his business to get into close touch with railroad operating men so as to become thoroughly familiar with every side of the question, the idea

being to work along the lines of the present steamboat inspection law.

EMPLOYERS' LIABILITY

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

THE National Government should be a model employer. It should demand the highest quality of service from each of its employees and it should care for all of them properly in return. Congress should adopt legislation providing limited but definite compensation for accidents to all workmen within the scope of the Federal power, including employees of navy yards and arsenals. In other words, a model employers' liability act, far-reaching and thoroughgoing, should be enacted which should apply to all positions, public and private, over which the National Government has jurisdiction. The number of accidents to wage-workers, including those that are preventable and those that are not, has become appalling in the mechanical, manufacturing, and transportation operations of the day. It works grim hardship to the ordinary wage-worker and his family to have the effect of such an accident fall solely upon him; and, on the other hand, there are whole classes of attorneys who exist only by inciting men who may or may not have been wronged to undertake suits for negligence. As a matter of fact a suit for negligence is generally an inadequate remedy for the person injured, while it often causes altogether disproportionate annoyance to the em-

ployer. The law should be made such that the payment for accidents by the employer would be automatic instead of being a matter for lawsuits. Workmen should receive certain and definite compensation for all accidents in industry irrespective of negligence. The employer is the agent of the public and on his own responsibility and for his own profit he serves the public. When he starts in motion agencies which create risks for others, he should take all the ordinary and extraordinary risks involved; and the risk he thus at the moment assumes will ultimately be assumed, as it ought to be, by the general public. Only in this way can the shock of the accident be diffused, instead of falling upon the man or woman least able to bear it, as is now the case. The community at large should share the burdens as well as the benefits of industry. By the proposed law, employers would gain a desirable certainty of obligation and get rid of litigation to determine it, while the workman and his family would be relieved from a crushing load. With such a policy would come increased care, and accidents would be reduced in number. The National laws providing for employers' liability on railroads engaged in interstate commerce and for safety appliances, as well as for diminishing the hours any employee of a railroad should be permitted to work, should all be strengthened wherever in actual practice they have shown weakness; they should be kept on the statute books in thoroughgoing form.

The constitutionality of the employers' liability act passed by the preceding Congress has been carried before the courts. In two jurisdictions the law has been declared unconstitu-

tional, and in three jurisdictions its constitutionality has been affirmed. The question has been carried to the Supreme Court, the case has been heard by that tribunal, and a decision is expected at an early date. In the event that the court should affirm the constitutionality of the act. I urge further legislation along the lines advocated in my message to the preceding Congress. The practice of putting the entire burden of loss to life or limb upon the victim or the victim's family is a form of social injustice in which the United States stands in unenviable prominence. In both our Federal and our State legislation we have, with few exceptions, scarcely gone farther than the repeal of the fellow-servant principle of the old law of liability, and in some of our States even this slight modification of a completely outgrown principle has not yet been secured. The legislation of the rest of the industrial world stands out in striking contrast to our backwardness in this respect. Since 1895 practically every country of Europe, together with Great Britain, New Zealand, Australia, British Columbia, and the Cape of Good Hope, has enacted legislation embodying in one form or another the complete recognition of the principle which places upon the employer the entire trade risk in the various lines of industry. I urge upon the Congress the enactment of a law which will at the same time bring Federal legislation up to the standard already established by all the European countries, and which will serve as a stimulus to the various States to perfect their legislation in this regard.

EXTENSION OF THE EIGHT HOUR LAW

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

THE Congress should consider the extension of the eight-hour law. The constitutionality of the present law has recently been called into question, and the Supreme Court has decided that the existing legislation is unquestionably within the powers of the Congress. The principle of the eight-hour day should as rapidly and as far as practicable be extended to the entire work carried on by the Government; and the present law should be amended to embrace contracts on those public works which the present wording of the act has been construed to exclude. The general introduction of the eight-hour day should be the goal toward which we should steadily tend, and the Government should set the example in this respect.

FEDERAL INVESTIGATION OF STRIKES AND LOCKOUTS

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

STRIKES and lockouts, with their attendant loss and suffering, continue to increase. For the five years ended December 31, 1905, the number of strikes was greater than those in any previous ten years and was double the number

in the preceding five years. These figures indicate the increasing need of providing some machinery to deal with this class of disturbances in the interest alike of the employer, the employee, and the general public. I renew my previous recommendation that the Congress favorably consider the matter of creating the machinery for compulsory investigation of such industrial controversies as are of sufficient magnitude and of sufficient concern to the people of the country as a whole to warrant the Federal Government in taking action.

The need for some provision for such investigation was forcibly illustrated during the past summer. A strike of telegraph operators seriously interfered with telegraphic communications, causing great damage to business interests and serious inconvenience to the general public. Appeals were made to me from many parts of the country, from city councils, from boards of trade, from chambers of commerce, and from labor organizations, urging that steps be taken to terminate the strike. Everything that could with any propriety be done by a representative of the Government was done without avail, and for weeks the public stood by and suffered without recourse of any kind. Had the machinery existed and had there been authority for compulsory investigation of the dispute, the public would have been placed in possession of the merits of the controversy, and public opinion would probably have brought about a prompt adjustment. Each successive step creating machinery for the adjustment of labor difficulties must be taken with caution, but we should endeavor to make progress in this direction.

The provisions of the act of 1898 creating the chairman of the Interstate Commerce Commission and the Commissioner of Labor a board of mediation in controversies between interstate railroads and their employees, has, for the first time, been subjected to serious tests within the past year, and the wisdom of the experiment has been fully demonstrated. The creation of a board for compulsory investigation in cases where mediation fails and arbitration is rejected is the next logical step in a progressive program.

REGULATION OF WOMAN AND CHILD LABOR

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

It is certain that for some time to come there will be a constant increase absolutely, and perhaps relatively, of those among our citizens who dwell in cities or towns of some size and who work for wages. This means that there will be an ever-increasing need to consider the problems inseparable from a great industrial civilization. Where an immense and complex business, especially in those branches relating to manufacture and transportation, is transacted by a large number of capitalists who employ a very much larger number of wage-earners, the former tend more and more to combine into corporations and the latter into unions. The relations of the capitalist and wage-worker to one another, and of each to the general public, are not always easy to adjust; and to put them and keep them on a

satisfactory basis is one of the most important and one of the most delicate tasks before our whole civilization. Much of the work for the accomplishment of this end must be done by the individuals concerned themselves, whether singly or in combination; and the one fundamental fact that must never be lost track of is that the character of the average man, whether he be a man of means or a man who works with his hands, is the most important factor in solving the problem aright. But it is almost equally important to remember that without good laws it is also impossible to reach the proper solution. It is idle to hold that without good laws evils such as child labor, as the overworking of women, as the failure to protect employees from loss of life or limb, can be effectively reached, any more than the evils of rebates and stock-watering can be reached without good laws. To fail to stop these practices by legislation means to force honest men into them, because otherwise the dishonest who surely will take advantage of them will have everything their own way. If the States will correct their evils, well and good; but the Nation must stand ready to aid them.

No question growing out of our rapid and complex industrial development is more important than that of the employment of women and children. The presence of women in industry reacts with extreme directness upon the character of the home and upon family life, and the conditions surrounding the employment of children bear a vital relation to our future citizenship. Our legislation in those areas under the control of the Congress is very much behind the legislation of our more progressive States. A

thorough and comprehensive measure should be adopted at this session of the Congress relating to the employment of women and children in the District of Columbia and the Territories. The investigation into the condition of women and children wage-earners recently authorized and directed by the Congress is now being carried on in the various States, and I recommend that the appropriation made last year for beginning this work be renewed, in order that we may have the thorough and comprehensive investigation which the subject demands. The National Government has an ultimate resort for control of child labor the use of the interstate commerce clause to prevent the products of child labor from entering into interstate commerce. But before using this it ought certainly to enact model laws on the subject for the Territories under its own immediate control.

There is one fundamental proposition which can be laid down as regards all these matters, namely: While honesty by itself will not solve the problem, yet the insistence upon honesty — not merely technical honesty, but honesty in purpose and spirit — is an essential element in arriving at a right conclusion. Vice in its cruder and more archaic forms shocks everybody; but there is very urgent need that public opinion should be just as severe in condemnation of the vice which hides itself behind class or professional loyalty, or which denies that it is vice if it can escape conviction in the courts. The public and the representatives of the public, the high officials, whether on the bench or in executive or legislative positions, need to remember that often the most dangerous criminals, so far as the

life of the Nation is concerned, are not those who commit the crimes known to and condemned by the popular conscience for centuries, but those who commit crimes only rendered possible by the complex conditions of our modern industrial life. It makes not a particle of difference whether these crimes are committed by a capitalist or by a laborer, by a leading banker or manufacturer or railroad man, or by a leading representative of a labor union. Swindling in stocks, corrupting legislatures, making fortunes by the inflation of securities, by wrecking railroads, by destroying competitors through rebates — these forms of wrong-doing in the capitalist, are far more infamous than any ordinary form of embezzlement or forgery; yet it is a matter of extreme difficulty to secure the punishment of the man most guilty of them, most responsible for them. The business man who condones such conduct stands on a level with the labor man who deliberately supports a corrupt demagogue and agitator, whether head of a union or head of some municipality, because he is said to have "stood by the union." The members of the business community, the educators, or clergymen, who condone and encourage the first kind of wrong-doing, are no more dangerous to the community but are morally even worse than the labor men who are guilty of the second type of wrong-doing, because less is to be pardoned those who have no such excuse as is furnished either by ignorance or by dire need.

WORK OF THE DEPARTMENT OF AGRICULTURE

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

When the Department of Agriculture was founded there was much sneering as to its usefulness. No department of the Government, however, has more emphatically vindicated its usefulness, and none save the Post-Office Department comes so continually and intimately into touch with the people. The two citizens whose welfare is in the aggregate most vital to the welfare of the Nation, and therefore to the welfare of all other citizens, are the wage-worker who does manual labor and the tiller of the soil, the farmer. There are, of course, kinds of labor where the work must be purely mental, and there are other kinds of labor where, under existing conditions, very little demand indeed is made upon the mind, though I am glad to say that the proportion of men engaged in this kind of work is diminishing. But in any community with the solid, healthy qualities which make up a really great nation the bulk of the people should do work which calls for the exercise of both body and mind. Progress can not permanently exist in the abandonment of physical labor, but in the development of physical labor, so that it shall represent more and more the work of the trained mind in the trained body. Our school system is gravely defective in so far as it puts a premium upon mere literary train-

ing and tends therefore to train the boy away from the farm and the workshop. Nothing is more needed than the best type of industrial school, the school for mechanical industries in the city, the school for practically teaching agriculture in the country. The calling of the skilled tiller of the soil, the calling of the skilled mechanic, should alike be recognized as professions, just as emphatically as the callings of lawyer, doctor, merchant, or clerk. The schools should recognize this fact and it should equally be recognized in popular opinion. The young man who has the farsightedness and courage to recognize it and to get over the idea that it makes a difference whether what he earns is called salary or wages, and who refuses to enter the crowded field of the so-called professions, and takes to constructive industry instead, is reasonably sure of an ample reward in earnings, in health, in opportunity to marry early, and to establish a home with a fair amount of freedom from worry. It should be one of our prime objects to put both the farmer and the mechanic on a higher plane of efficiency and reward, so as to increase their effectiveness in the economic world, and therefore the dignity, the remuneration, and the power of their positions in the social world.

No growth of cities, no growth of wealth, can make up for any loss in either the number or the character of the farming population. We of the United States should realize this above almost all other peoples. We began our existence as a nation of farmers, and in every great crisis of the past a peculiar dependence has had to be placed upon the farming population; and this de-

pendence has hitherto been justified. But it can not be justified in the future if agriculture is permitted to sink in the scale as compared with other employments. We can not afford to lose that pre-eminently typical American, the farmer, who owns his own medium-sized farm. To have his place taken by either a class of small peasant proprietors or by a class of great landlords with tenant-farmed estates would be a veritable calamity. The growth of our cities is a good thing but only in so far as it does not mean a growth at the expense of the country farmer. We must welcome the rise of physical sciences in their application to agricultural practices, and we must do all we can to render country conditions more easy and pleasant. There are forces which now tend to bring about both these results, but they are, as yet, in their infancy. The National Government through the Department of Agriculture should do all it can by joining with the State governments and with independent associations of farmers to encourage the growth in the open farming country of such institutional and social movements as will meet the demand of the best type of farmers, both for the improvement of their farms and for the betterment of the life itself. The Department of Agriculture has in many places, perhaps especially in certain districts of the South, accomplished an extraordinary amount by co-operating with and teaching the farmers through their associations, on their own soil, how to increase their income by managing their farms better than they were hitherto managed. The farmer must not lose his independence, his initiative, his rugged self-reliance, yet he must

learn to work in the heartiest co-operation with his fellows, exactly as the business man has learned to work; and he must prepare to use to constantly better advantage the knowledge that can be obtained from agricultural colleges, while he must insist upon a practical curriculum in the schools in which his children are taught. The Department of Agriculture and the Department of Commerce and Labor both deal with the fundamental needs of our people in the production of raw material and its manufacture and distribution, and, therefore, with the welfare of those who produce it in the raw state, and of those who manufacture and distribute it. The Department of Commerce and Labor has but recently been founded, but has already justified its existence; while the Department of Agriculture yields to no other in the Government in the practical benefits which it produces in proportion to the public money expended. It must continue in the future to deal with growing crops as it has dealt in the past, but it must still further extend its field of usefulness hereafter by dealing with live men, through a far-reaching study and treatment of the problems of farm life alike from the industrial and economic and social standpoint. Farmers must co-operate with one another and with the Government, and the Government can best give its aid through associations of farmers, so as to deliver to the farmer the large body of agricultural knowledge which has been accumulated by the National and State governments and by the agricultural colleges and schools.

The grain-producing industry of the country, one of the most important in the United States,

deserves special consideration at the hands of the Congress. Our grain is sold almost exclusively by grades. To secure satisfactory results in our home markets and to facilitate our trade abroad, these grades should approximate the highest degree of uniformity and certainty. The present diverse methods of inspection and grading throughout the country under different laws and boards, result in confusion and lack of uniformity, destroying that confidence which is necessary for healthful trade. Complaints against the present methods have continued for years and they are growing in volume and intensity, not only in this country but abroad. I therefore suggest to the Congress the advisability of a National system of inspection and grading of grain entering into interstate and foreign commerce as a remedy for the present evils.

THE TARIFF ON FOREST PRODUCTS

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

THERE should be no tariff on any forest product grown in this country; and, in especial, there should be no tariff on wood pulp; due notice of the change being of course given to those engaged in the business so as to enable them to adjust themselves to the new conditions. The repeal of the duty on wood pulp should if possible be accompanied by an agreement with Canada that there shall be no export duty on Canadian pulp wood.

OIL, COAL AND GAS FIELDS OF THE GOVERNMENT

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

In the eastern United States the mineral fuels have already passed into the hands of large private owners, and those of the West are rapidly following. It is obvious that these fuels should be conserved and not wasted, and it would be well to protect the people against unjust and extortionate prices, so far as that can still be done. What has been accomplished in the great oil fields of the Indian Territory by the action of the Administration offers a striking example of the good results of such a policy. In my judgment the Government should have the right to keep the fee of the coal, oil, and gas fields in its own possession and to lease the rights to develop them under proper regulations; or else, if the Congress will not adopt this method, the coal deposits should be sold under limitations, to conserve them as public utilities, the right to mine coal being separated from the title to the soil. The regulations should permit coal lands to be worked in sufficient quantity by the several corporations. The present limitations have been absurd, excessive, and serve no useful purpose, and often render it necessary that there should be either fraud or else abandonment of the work of getting out the coal.

POSTAL SAVINGS BANK

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

I COMMEND to the favorable consideration of the Congress a postal savings bank system, as recommended by the Postmaster-General. The primary object is to encourage among our people economy and thrift and by the use of postal savings banks to give them an opportunity to husband their resources, particularly those who have not the facilities at hand for depositing their money in savings banks. Viewed, however, from the experience of the past few weeks, it is evident that the advantages of such an institution are still more far-reaching. Timid depositors have withdrawn their savings for the time being from national banks, trust companies, and savings banks; individuals have hoarded their cash and the workingmen their earnings; all of which money has been withheld and kept in hiding or in the safe deposit box to the detriment of prosperity. Through the agency of the postal savings banks such money would be restored to the channels of trade, to the mutual benefit of capital and labor.

A FEDERAL BUREAU OF MINES

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

A BUREAU of mines should be created under the control and direction of the Secretary of the Interior; the bureau to have power to collect statistics and make investigations in all matters pertaining to mining and particularly to the accidents and dangers of the industry. If this can not now be done, at least additional appropriations should be given the Interior Department to be used for the study of mining conditions, for the prevention of fraudulent mining schemes, for carrying on the work of mapping the mining districts, for studying methods for minimizing the accidents and dangers in the industry; in short, to aid in all proper ways the development of the mining industry.

OUR TARIFF RELATIONS WITH GERMANY

FROM THE MESSAGE OF THE PRESIDENT READ AT THE OPENING OF THE FIRST SESSION OF THE SIXTIETH CONGRESS, DECEMBER 3, 1907

THE adoption of a new tariff by Germany, accompanied by conventions for reciprocal tariff concessions between that country and most of the other countries of continental Europe, led the German government to give the notice necessary to terminate the reciprocal commercial agree-

ment with this country proclaimed July 13, 1900. The notice was to take effect on the 1st of March, 1906, and in default of some other arrangements this would have left the exports from the United States to Germany subject to the general German tariff duties, from 25 to 50 per cent. higher than the conventional duties imposed upon the goods of most of our competitors for German trade.

Under a special agreement made between the two Governments in February, 1906, the German Government postponed the operation of their notice until the 30th of June, 1907. In the mean time, deeming it to be my duty to make every possible effort to prevent a tariff war between the United States and Germany arising from misunderstanding by either country of the conditions existing in the other, and acting upon the invitation of the German Government, I sent to Berlin a commission composed of competent experts in the operation and administration of the customs tariff, from the Departments of the Treasury and Commerce and Labor. This commission was engaged for several months in conference with a similar commission appointed by the German Government, under instructions, so far as practicable, to reach a common understanding as to all the facts regarding the tariffs of the United States and Germany material and relevant to the trade relations between the two countries. The commission reported, and upon the basis of the report, a further temporary commercial agreement was entered into by the two countries, pursuant to which, in the exercise of the authority conferred upon the President by the third section of the tariff act of July 24, 1897, I

extended the reduced tariff rates provided for in that section to champagne and all other sparkling wines, and pursuant to which the German conventional or minimum tariff rates were extended to about 96½ per cent. of all the exports from the United States to Germany. This agreement is to remain in force until the 30th of June, 1908, and until six months after notice by either party to terminate it.

The agreement and the report of the commission on which it is based will be laid before the Congress for its information.

This careful examination into the tariff relations between the United States and Germany involved an inquiry into certain of our methods of administration which had been the cause of much complaint on the part of German exporters. In this inquiry I became satisfied that certain vicious and unjustifiable practices had grown up in our customs administration, notably the practice of determining values of imports upon detective reports never disclosed to the persons whose interests were affected. The use of detectives, though often necessary, tends toward abuse, and should be carefully guarded. Under our practice as I found it to exist in this case, the abuse had become gross and discreditable. Under it, instead of seeking information as to the market value of merchandise from the well-known and respected members of the commercial community in the country of its production, secret statements were obtained from informers and discharged employees and business rivals, and upon this kind of secret evidence the values of imported goods were frequently raised and heavy penalties were frequently imposed upon import-

ers who were never permitted to know what the evidence was and who never had an opportunity to meet it. It is quite probable that this system tended toward an increase of the duties collected upon imported goods, but I conceive it to be a violation of law to exact more duties than the law provides, just as it is a violation to admit goods upon the payment of less than the legal rate of duty. This practice was repugnant to the spirit of American law and to American sense of justice. In the judgment of the most competent experts of the Treasury Department and the Department of Commerce and Labor it was wholly unnecessary for the due collection of the customs revenues, and the attempt to defend it merely illustrates the demoralization which naturally follows from a long-continued course of reliance upon such methods. I accordingly caused the regulations governing this branch of the customs service to be modified so that values are determined upon a hearing in which all the parties interested have an opportunity to be heard and to know the evidence against them. Moreover, our Treasury agents are accredited to the government of the country in which they seek information, and in Germany receive the assistance of the quasi-official chambers of commerce in determining the actual market value of goods, in accordance with what I am advised to be the true construction of the law.

These changes of regulations were adapted to the removal of such manifest abuses that I have not felt that they ought to be confined to our relations with Germany; and I have extended

their operation to all other countries which have expressed a desire to enter into similar administrative relations.

THE EMPLOYERS' LIABILITY LAW

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, JANUARY 31, 1908

THE recent decision of the Supreme Court in regard to the Employers' Liability Act, the experience of the Interstate Commerce Commission and of the Department of Justice in enforcing the Interstate Commerce and Antitrust Laws, and the gravely significant attitude toward the law and its administration recently adopted by certain heads of great corporations, render it desirable that there should be additional legislation as regards certain of the relations between labor and capital, and between the great corporations and the public.

The Supreme Court has decided the Employers' Liability Law to be unconstitutional because its terms apply to employees engaged wholly in intrastate commerce as well as to employees engaged in interstate commerce. By a substantial majority the court holds that the Congress has power to deal with the question in so far as interstate commerce is concerned.

As regards the Employers' Liability Law, I advocate its immediate re-enactment, limiting its scope so that it shall apply only to the class of cases as to which the court says it can constitutionally apply, but strengthening its provisions within this scope. Interstate employment being thus covered by an adequate national law, the

field of intrastate employment will be left to the action of the several States. With this clear definition of responsibility the States will undoubtedly give to the performance of their duty within their field the consideration the importance of the subject demands.

I also very urgently advise that a comprehensive act be passed providing for compensation by the Government to all employees injured in the Government service. Under the present law an injured workman in the employment of the Government has no remedy, and the entire burden of the accident falls on the helpless man, his wife, and his young children. This is an outrage. It is a matter of humiliation to the Nation that there should not be on our statute books provision to meet and partially to atone for cruel misfortune when it comes upon a man through no fault of his own while faithfully serving the public. In no other prominent industrial country in the world could such gross injustice occur; for almost all civilized nations have enacted legislation embodying the complete recognition of the principle which places the entire trade risk for industrial accidents (excluding, of course, accidents due to wilful misconduct by the employee) on the industry as represented by the employer, which in this case is the Government. In all these countries the principle applies to the Government just as much as to the private employer. Under no circumstances should the injured employee or his surviving dependents be required to bring suit against the Government, nor should there be the requirement that in order to ensure recovery negligence in some form on the part of the Government should be shown. Our proposi-

tion is not to confer a right of action upon the Government employee, but to secure him suitable provision against injuries received in the course of his employment. The burden of the trade risk should be placed upon the Government. Exactly as the workingman is entitled to his wages, so he should be entitled to indemnity for the injuries sustained in the natural course of his labor. The rates of compensation and the regulations for its payment should be specified in the law, and the machinery for determining the amount to be paid should in each case be provided in such manner that the employee is properly represented without expense to him. In other words, the compensation should be paid automatically, while the application of the law in the first instance should be vested in the Department of Commerce and Labor. The law should apply to all laborers, mechanics, and other civilian employees of the Government of the United States, including those in the service of the Panama Canal Commission and of the insular governments.

The same broad principle which should apply to the Government should ultimately be made applicable to all private employers. Where the Nation has the power it should enact laws to this effect. Where the States alone have the power they should enact the laws. It is to be observed that an employers' liability law does not really mean mulcting employers in damages. It merely throws upon the employer the burden of accident insurance against injuries which are sure to occur. It requires him either to bear or to distribute through insurance the loss which can readily be borne when distributed, but which, if

undistributed, bears with frightful hardship upon the unfortunate victim of accident. In theory, if wages were always freely and fairly adjusted, they would always include an allowance as against the risk of injury, just as certainly as the rate of interest for money includes an allowance for insurance against the risk of loss. In theory, if employees were all experienced business men, they would employ that part of their wages which is received because of the risk of injury to secure accident insurance. But as a matter of fact, it is not practical to expect that this will be done by the great body of employees. An employers' liability law makes it certain that it will be done, in effect, by the employer, and it will ultimately impose no real additional burden upon him.

There is a special bill to which I call your attention. Secretary Taft has urgently recommended the immediate passage of a law providing for compensation to employees of the Government injured in the work of the Isthmian Canal, and that $100,000 be appropriated for this purpose each year. I earnestly hope this will be done; and that a special bill be passed covering the case of Yardmaster Banton, who was injured nearly two years ago while doing his duty. He is now helpless to support his wife and his three little boys.

THE WRIT OF INJUNCTION IN LABOR CASES

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, JANUARY 31, 1908

I AGAIN call your attention to the need of some action in connection with the abuse of injunctions in labor cases. As regards the rights and wrongs of labor and capital, from blacklisting to boycotting, the whole subject is covered in admirable fashion by the report of the Anthracite Coal Strike Commission, which report should serve as a chart for the guidance of both legislative and executive officers. As regards injunctions, I can do little but repeat what I have said in my last message to the Congress. Even though it were possible, I should consider it most unwise to abolish the use of the process of injunction. It is necessary in order that the courts may maintain their own dignity, and in order that they may in effective manner check disorder and violence. The judge who uses it cautiously and conservatively, but who, when the need arises, uses it fearlessly, confers the greatest service upon our people, and his pre-eminent usefulness as a public servant should be heartily recognized. But there is no question in my mind that it has sometimes been used heedlessly and unjustly, and that some of the injunctions issued inflict grave and occasionally irreparable wrong upon those enjoined.

It is all wrong to use the injunction to prevent the entirely proper and legitimate actions of labor organizations in their struggle for indus-

trial betterment, or under the guise of protecting property rights unwarrantably to invade the fundamental rights of the individual. It is futile to concede, as we all do, the right and the necessity of organized effort on the part of the wage-earners, and yet by injunctive process to forbid peaceable action to accomplish the lawful objects for which they are organized and upon which their success depends. The fact that the punishment for the violation of an injunction must, to make the order effective, necessarily be summary and without the intervention of a jury makes its issuance in doubtful cases a dangerous practice, and in itself furnishes a reason why the process should be surrounded with safeguards to protect individuals against being enjoined from exercising their proper rights. Reasonable notice should be given the adverse party.

This matter is daily becoming of graver importance, and I can not too urgently recommend that the Congress give careful consideration to the subject. If some way of remedying the abuses is not found, the feeling of indignation against them among large numbers of our citizens will tend to grow so extreme as to produce a revolt against the whole use of the process of injunction. The ultra-conservatives who object to cutting out the abuses will do well to remember that, if the popular feeling does become strong, many of those upon whom they rely to defend them will be the first to turn against them. Men of property can not afford to trust to anything save the spirit of justice and fair play; for those very public men who, while it is to their interest, defend all the abuses committed by capital and pose as the champions of con-

servatism, will, the moment they think their interest changes, take the lead in just such a matter as this and pander to what they esteem popular feeling by endeavoring, for instance, effectively to destroy the power of the courts in matters of injunction; and will even seek to render nugatory the power to punish for contempt, upon which power the very existence of the orderly administration of justice depends.

"THE CAMPAIGN AGAINST PRIVILEGE"

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, JANUARY 31, 1908

It is my purpose as soon as may be to submit some further recommendations in reference to our laws regulating labor conditions within the sphere of Federal authority. A very recent decision of the Supreme Court of the United States rendered since this message was written, in the case of Adair *v.* United States, seemingly of far-reaching import and of very serious probable consequences, has modified the previously entertained views on the powers of the Congress in the premises to such a degree as to make necessary careful consideration of the opinions therein filed before it is possible definitely to decide in what way to call the matter to your attention.

Not only should there be action on certain laws affecting wage-earners; there should also be such action on laws better to secure control over the great business concerns engaged in interstate commerce, and especially over the great common carriers. The Interstate Commerce Commission

should be empowered to pass upon any rate or practice on its own initiative. Moreover, it should be provided that whenever the Commission has reason to believe that a proposed advance in a rate ought not to be made without investigation, it should have authority to issue an order prohibiting the advance pending examination by the Commission.

I would not be understood as expressing an opinion that any or even a majority of these advances are improper. Many of the rates in this country have been abnormally low. The operating expenses of our railroads, notably the wages paid railroad employees, have greatly increased. These and other causes may in any given case justify an advance in rates, and if so the advance should be permitted and approved. But there may be, and doubtless are, cases where this is not true; and our law should be so framed that the Government, as the representative of the whole people, can protect the individual against unlawful exaction for the use of these public highways. The Interstate Commerce Commission should be provided with the means to make a physical valuation of any road as to which it deems this valuation necessary. In some form the Federal Government should exercise supervision over the financial operations of our interstate railroads. In no other way can justice be done between the private owners of those properties and the public which pay their charges. When once an inflated capitalization has gone upon the market and has become fixed in value, its existence must be recognized. As a practical matter it is then often absolutely necessary to take account of the thousands of innocent stockholders

who have purchased their stock in good faith. The usual result of such inflation is therefore to impose upon the public an unnecessary but everlasting tax, while the innocent purchasers of the stock are also harmed and only a few speculators are benefited. Such wrongs when once accomplished can with difficulty be undone; but they can be prevented with safety and with justice. When combinations of interstate railways must obtain Government sanction; when it is no longer possible for an interstate railway to issue stock or bonds, save in the manner approved by the Federal Government; when that Government makes sure that the proceeds of every stock and bond issue go into the improvement of the property and not the enrichment of some individual or syndicate; when, whenever it becomes material for guidance in the regulative action of the Government, the physical value of one of these properties is determined and made known — there will be eliminated from railroad securities that element of uncertainty which lends to them their speculative quality and which has contributed much to the financial stress of the recent past.

I think that the Federal Government must also assume a certain measure of control over the physical operation of railways in the handling of interstate traffic. The Commission now has authority to establish through routes and joint rates. In order to make this provision effective, and in order to promote in times of necessity the proper movement of traffic, I think it must also have authority to determine the conditions upon which cars shall be interchanged between different interstate railways. It is also probable that the

Commission should have authority, in particular instances, to determine the schedule upon which perishable commodities shall be moved.

In this connection I desire to repeat my recommendation that railways be permitted to form traffic associations for the purpose of conferring about and agreeing upon rates, regulations, and practices affecting interstate business in which the members of the association are mutually interested. This does not mean that they should be given the right to pool their earnings or their traffic. The law requires that rates shall be so adjusted as not to discriminate between individuals, localities, or different species of traffic. Ordinarily, rates by all competing lines must be the same. As applied to practical conditions, the railway operations of this country can not be conducted according to law without what is equivalent to conference and agreement. The articles under which such associations operate should be approved by the Commission; all their operations should be open to public inspection; and the rates, regulations, and practices upon which they agree should be subject to disapproval by the Commission.

I urge this last provision with the same earnestness that I do the others. The country provides its railway facilities by private capital. Those facilities will not be adequate unless the capital employed is assured of just treatment and an adequate return. In fixing the charges of our railroads, I believe that, considering the interests of the public alone, it is better to allow too liberal rather than too scanty earnings, for, otherwise, there is grave danger that our railway development may not keep pace with the demand

for transportation. But the fundamental idea that these railways are public highways must be recognized, and they must be open to the whole public upon equal terms and upon reasonable terms.

In reference to the Sherman Antitrust Law, I repeat the recommendations made in my message at the opening of the present Congress, as well as in my message to the previous Congress. The attempt in this law to provide in sweeping terms against all combinations of whatever character, if technically in restraint of trade as such restraint has been defined by the courts, must necessarily be either futile or mischievous, and sometimes both. The present law makes some combinations illegal, although they may be useful to the country. On the other hand, as to some huge combinations which are both noxious and illegal, even if the action undertaken against them under the law by the Government is successful, the result may be to work but a minimum benefit to the public. Even though the combination be broken up and a small measure of reform thereby produced, the real good aimed at can not be obtained, for such real good can come only by a thorough and continuing supervision over the acts of the combination in all its parts, so as to prevent stock watering, improper forms of competition, and, in short, wrong-doing generally. The law should correct that portion of the Sherman act which prohibits all combinations of the character above described, whether they be reasonable or unreasonable; but this should be done only as part of a general scheme to provide for this effective and thoroughgoing supervision by the National Government of all the operations of

the big interstate business concerns. Judge Hough of New York, in his recent decision in the Harriman case, states that the Congress possesses the power to limit the interstate operations of corporations not complying with Federal safeguards against the recurrence of obnoxious practices, and to license those which afford the public adequate security against methods calculated to diminish solvency, and therefore efficiency and economy in interstate transportation. The judge adds that in these matters "the power of Congress is ample, though as yet not fruitful in results." It is very earnestly to be desired that either along the lines the judge indicates, or in some other way equally efficacious, the Congress may exercise the power which he holds it possesses.

Superficially it may seem that the laws, the passage of which I herein again advocate — for I have repeatedly advocated them before — are not connected. But in reality they are connected. Each and every one of these laws, if enacted, would represent part of the campaign against privilege, part of the campaign to make the class of great property-holders realize that property has its duties no less than its rights. When the courts guarantee to the employer, as they should, the rights of the employer, and to property the rights of property, they should no less emphatically make it evident that they will exact from property and from the employer the duties which should necessarily accompany these rights; and hitherto our laws have failed in precisely this point of enforcing the performance of duty by the man of property toward the man who works for him, by the man of great wealth,

especially if he uses that wealth in corporate form, toward the investor, the wage-worker, and the general public. The permanent failure of the man of property to fulfil his obligations would ultimately assure the wresting from him of the privileges which he is entitled to enjoy only if he recognizes the obligations accompanying them. Those who assume or share the responsibility for this failure are rendering but a poor service to the cause which they believe they champion.

I do not know whether it is possible, but if possible it is certainly desirable, that in connection with measures to restrain stock watering and overcapitalization there should be measures taken to prevent at least the grosser forms of gambling in securities and commodities, such as making large sales of what men do not possess and "cornering" the market. Legitimate purchases of commodities and of stocks and securities for investment have no connection whatever with purchases of stocks or other securities or commodities on a margin for speculative and gambling purposes. There is no moral difference between gambling at cards or in lotteries or on the racetrack and gambling in the stock market. One method is just as pernicious to the body politic as the other in kind, and in degree the evil worked is far greater. But it is a far more difficult subject with which to deal. The great bulk of the business transacted on the exchanges is not only legitimate, but is necessary to the working of our modern industrial system, and extreme care would have to be taken not to interfere with this business in doing away with the "bucket-shop" type of operation. We

should study both the successes and the failures of foreign legislators who, notably in Germany, have worked along this line, so as not to do anything harmful. Moreover, there is a special difficulty in dealing with this matter by the Federal Government in a Federal Republic like ours. But if it is possible to devise a way to deal with it the effort should be made, even if only in a cautious and tentative way. It would seem that the Federal Government could at least act by forbidding the use of the mails, telegraph and telephone wires for mere gambling in stocks and futures, just as it does in lottery transactions.

I enclose herewith a statement issued by the Chief of the Bureau of Corporations (Appendix 1), in answer to certain statements (which I also enclose) made by and on behalf of the agents of the Standard Oil Corporation (Appendix 2), and a letter of the Attorney-General (Appendix 3) containing an answer to certain statements, also enclosed, made by the president of the Santa Fe Railway Company (Appendix 4). The Standard Oil Corporation and the railway company have both been found guilty by the courts of criminal misconduct; both have been sentenced to pay heavy fines; and each has issued and published broadcast these statements, asserting their innocence and denouncing as improper the action of the courts and juries in convicting them of guilt. The statements are very elaborate, are very ingenious, and are untruthful in important particulars. The following letter and enclosure from Mr. Heney sufficiently illustrate the methods of the high officials of the Santa Fe and show the utter falsity of their plea of ig-

norance, the similar plea of the Standard Oil being equally without foundation:

DEPARTMENT OF JUSTICE,
OFFICE OF THE UNITED STATES ATTORNEY,
DISTRICT OF OREGON
Portland, January 11, 1908.

THE PRESIDENT,
Washington, D. C.

DEAR MR. PRESIDENT:

I understand that Mr. Ripley, of the Atchison, Topeka and Sante Fe Railway system, has commented with some severity upon your attitude toward the payment of rebates by certain transcontinental railroads, and that he has declared that he personally never knew anything about any rebates being granted by his road. . . . I enclose you herewith copy of a letter from Edward Chambers, general freight traffic manager of the Atchison, Topeka and Santa Fe Railway system, to Mr. G. A. Davidson, auditor of the same company dated February 27, 1907. . . .

This letter does not deal with interstate shipments, but the constitution of the State of California makes the payment of rebates by railroads a misdemeanor, and Mr. Ripley has apparently not been above the commission of crime to secure business. You are at liberty to use this enclosure in any way that you think it can be of service to yourself or the public. . . .

Sincerely, yours, FRANCIS J. HENEY.

SAN FRANCISCO.
February 27, 1907.

DEAR SIR — I hand you herewith a file of papers covering the movement of fuel oil shipped

by the Associated Oil Company over our line from January 1, 1906, up to and including November 15, 1906.

We agreed with the Associated Oil Company's negotiations with Mr. Ripley, Mr. Wells, and myself, that in consideration of their making us a special price on oil for company use, which is covered by a contract, and the further consideration that we would take a certain quantity, they would in turn ship from Bakersfield over our line to San Francisco Bay points a certain minimum number of barrels of fuel oil at rate of 25 cents per barrel from Bakersfield, exclusive of the switching charge.

These statements cover the movement, except that they have included Stockton, which is not correct, as it is not a bay point and could not be reached as conveniently by water. We have paid them on account of this movement $7,239, which should be deducted from the total of movement shown in the attached papers.

I wish you would arrange to make up a statement, check the same, and refund to the Associated Oil Company down to the basis of 25 cents per barrel from Bakersfield, where they are the shippers, regardless of who is consignee, as all their fuel oil is sold delivered. The reason for making this deal, in addition to what I have stated, is that the Associated Oil Company have their own boats and carry oil from fields controlled by themselves along the coast near San Luis Obispo to San Francisco at a much lower cost than the special rate we have made them and in competition with the Union Oil Company and the Standard Oil Company, it was necessary for them to sell at the San Francisco Bay points on

the basis of the cost of water transportation from the coast fields. They figured they could only afford to pay us the 25 cents per barrel if by doing this they sold our company a certain amount of fuel oil, otherwise the business covered by the attached papers would have come in by boat from the coast fields.

I am writing this up completely, so that there may be in the papers a history of the reasons why this arrangement was made. I wish you would go ahead and make the adjustment as soon as possible, as the Associated Oil Company are very anxious to have the matter closed up. The arrangement was canceled on November 15 at a conference between Mr. Ripley, Mr. Wells, Mr. Porter, and myself.

Yours truly,
EDWARD CHAMBERS.

SHIPMENTS ASSOCIATED OIL COMPANY,
MR. G. A. DAVIDSON,
Auditor, Los Angeles,

The attacks by these great corporations on the Administration's actions have been given a wide circulation throughout the country, in the newspapers and otherwise, by those writers and speakers who, consciously or unconsciously, act as the representatives of predatory wealth — of the wealth accumulated on a giant scale by all forms of iniquity, ranging from the oppression of wage-workers to unfair and unwholesome methods of crushing out competition, and to defrauding the public by stock-jobbing and the manipulation of securities. Certain wealthy men of this stamp, whose conduct should be abhorrent to every man of ordinarily decent conscience,

and who commit the hideous wrong of teaching our young men that phenomenal business success must ordinarily be based on dishonesty, have during the last few months made it apparent that they have banded together to work for a reaction. Their endeavor is to overthrow and discredit all who honestly administer the law, to prevent any additional legislation which would check and restrain them, and to secure if possible a freedom from all restraint which will permit every unscrupulous wrong-doer to do what he wishes unchecked provided he has enough money. The only way to counteract the movement in which these men are engaged is to make clear to the public just what they have done in the past and just what they are seeking to accomplish in the present.

The Administration and those who support its views are not only not engaged in an assault on property, but are strenuous upholders of the rights of property. The wise attitude to take is admirably stated by Governor Fort of New Jersey in his recent inaugural address; the principles which he upholds as regards the State being, of course, identical with those which should obtain as regards the Nation:

"Just and fair regulation can only be objected to by those misconceiving the rights of the State. The State grants all corporate powers to its railways and other public utility corporations, and may not only modify but repeal all charters and charter privileges it confers. It may, therefore, impose conditions upon their operation at its pleasure. Of course, in the doing of these things, it should act wisely and with conservatism, protecting all vested rights of prop-

erty and the interests of the innocent holders of the securities of existing *quasi*-public corporations Regulation, therefore, upon a wise basis, of the operation of these public utilities companies, including the fixing of rates and public charges, upon complaint and subject to court review, should be intrusted to a proper board, as well as the right to regulate the output of stock and the bonded issues of such corporations. If this were done it would inure to the benefit of the people and the companies, for it would fix the value of such securities, and act as a guaranty against their depreciation. Under such a law the holders of existing securities would find them protected, and new securities offered would have the confidence of the people, because of the guaranty of the State that they were only issued for extensions or betterments and upon some basis of the cost of such extensions or betterments. It is difficult to suggest any legislation that would give greater confidence to the public and investors than a wise public utilities bill; and the mere suggestion of its enactment should cause this class of security holders to feel that their holdings were strengthened, and that the State was about to aid the managers of its public utility corporations to conserve their corporate property for the public benefit and for the protection of invested capital. . . .

"The time has come for the strict supervision of these great corporations and the limitation of their stock and bond issues under some proper public official. It will make for conservatism, and strengthen the companies doing a legitimate business, and eliminate, let us hope, those which are merely speculative in character and organ-

ized simply to catch the unsuspecting or credulous investor. Corporations have come in our business world to remain for all time. Corporate methods are the most satisfactory for business purposes in many cases. Every business or enterprise honestly incorporated should be protected, and the public made to feel confidence in its corporate organization. Capital invested in corporations must be as free from wrongful attack as that invested by individuals, and the State should do everything to foster and protect invested corporate capital and encourage the public in giving to it support and confidence. Nothing will do so much to achieve this desirable result as proper supervision and reasonable control over stock and bond issues, so that overcapitalization will be prevented and the people may know when they buy a share of stock or a bond. . . . that the name of the State upon it stands as a guaranty that there is value behind it and reasonable safety in its purchase. The act must make it clear that the intent of the supervision by the Commissioner is not for the purpose of striking at corporate organizations or invested corporate capital, but rather to recognize and protect existing conditions and ensure greater safeguards for the future. . . .

"Capital does not go into a State where reprisals are taken or vested interests are injured; it comes only where wise, conservative, safe treatment is assured, and it should be our policy to encourage and secure corporate rights and the best interests of stock and bond holders committed to our legal care."

Under no circumstaces would we countenance attacks upon law-abiding property, or do aught

but condemn those who hold up rich men as being evil men because of their riches. On the contrary, our whole effort is to insist upon conduct, and neither wealth nor property nor any other class distinction, as being the proper standard by which to judge the actions of men. For the honest man of great wealth we have a hearty regard, just as we have a hearty regard for the honest politician and honest newspaper. But part of the movement to uphold honesty must be a movement to frown on dishonesty. We attack only the corrupt men of wealth, who find in the purchased politician the most efficient instrument of corruption and in the purchased newspaper the most efficient defender of corruption. Our main quarrel is not with these agents and representatives of the interests. They derive their chief power from the great sinister offenders who stand behind them. They are but puppets, who move as the strings are pulled. It is not the puppets, but the strong, cunning men and the mighty forces working for evil behind and through the puppets, with whom we have to deal. We seek to control law-defying wealth; in the first place to prevent its doing dire evil to the Republic, and in the next place to avoid the vindictive and dreadful radicalism which, if left uncontrolled, it is certain in the end to arouse. Sweeping attacks upon all property, upon all men of means, without regard to whether they do well or ill would sound the death-knell of the Republic; and such attacks become inevitable if decent citizens permit those rich men whose lives are corrupt and evil to domineer in swollen pride, unchecked and unhindered, over the destinies of this country. We act in no vindictive spirit, and

we are no respecters of persons. If a labor union does wrong, we oppose it as firmly as we oppose a corporation which does wrong; and we stand equally stoutly for the rights of the man of wealth and for the rights of the wage-worker. We seek to protect the property of every man who acts honestly, of every corporation that represents wealth honestly accumulated and honestly used. We seek to stop wrong-doing, and we desire to punish the wrong-doers only so far as is necessary to achieve this end.

There are ample material rewards for those who serve with fidelity the mammon of unrighteousness; but they are dearly paid for by the people who permit their representatives, whether in public life, in the press, or in the colleges where their young men are taught, to preach and to practice that there is one law for the rich and another for the poor. The amount of money the representatives of certain great moneyed interests are willing to spend can be gauged by their recent publication broadcast throughout the papers of this country, from the Atlantic to the Pacific, of huge advertisements attacking with envenomed bitterness the Administration's policy of warring against successful dishonesty, and by their circulation of pamphlets and books prepared with the same object; while they likewise push the circulation of the writings and speeches of men who, whether because they are misled, or because, seeing the light, they yet are willing to sin against the light, serve these their masters of great wealth to the cost of the plain people. The books and pamphlets, the controlled newspapers, the speeches by public or private men, to which I refer, are usually and especially in the

interest of the Standard Oil Trust and of certain notorious railroad combinations, but they also defend other individuals and corporations of great wealth that have been guilty of wrong-doing. It is only rarely that the men responsible for the wrong-doing themselves speak or write. Normally they hire others to do their bidding, or find others who will do it without hire. From the Railroad Rate Law to the Pure Food Law, every measure for honesty in business that has been opposed by these men on its passage and its administration with every resource that bitter and unscrupulous craft could suggest and the command of almost unlimited money secure. But for the last year the attack has been made with most bitterness upon the actual administration of the law, especially through the Department of Justice, but also through the Interstate Commerce Commission and the Bureau of Corporations. The extraordinary violence of the assaults upon our policy contained in these speeches, editorials, articles, advertisements, and pamphlets, and the enormous sums of money spent in these various ways, give a fairly accurate measure of the anger and terror which our public actions have caused the corrupt men of vast wealth to feel in the very marrow of their being. The attack is sometimes made openly against us for enforcing the law, and sometimes with a certain cunning, for not trying to enforce it in some other way than that which experience shows to be practical. One of the favorite methods of the latter class of assailant is to attack the Administration for not procuring the imprisonment instead of the fine of offenders under these antitrust laws. The man making this

assault is usually either a prominent lawyer or an editor who takes his policy from the financiers and his arguments from their attorneys. If the former, he has defended and advised many wealthy malefactors, and he knows well that, thanks to the advice of lawyers like himself, a certain kind of modern corporation has been turned into an admirable instrument by which to render it wellnigh impossible to get at the head of the corporation, at the man who is really most guilty. When we are able to put the real wrongdoer in prison, this is what we strive to do; this is what we have actually done with some very wealthy criminals, who, moreover, represented that most baneful of all alliances, the alliance between the corruption of organized politics and the corruption of high finances. This is what we have done in the Gaynor and Greene case, in the case of the misapplication of funds in connection with certain great banks in Chicago, in the land-fraud cases, where, as in other cases likewise, neither the highest political position nor the possession of great wealth, has availed to save the offenders from prison. The Federal Government does scourge sin; it does bid sinners fear; for it has put behind the bars with impartial severity the powerful financier, the powerful politician, the rich land thief, the rich contractor — all, no matter how high their station, against whom criminal misdeeds can be proved. All their wealth and power can not protect them. But it often happens that the effort to imprison a given defendant is certain to be futile, while it is possible to fine him or to fine the corporation of which he is head; so that, in other words, the only way of punishing the wrong is by fining

the corporation, unless we are content to proceed personally against the minor agents. The corporation lawyers to whom I refer and their employers are the men mainly responsible for this state of things, and their responsibility is shared with all who ingeniously oppose the passing of just and effective laws, or who fail to execute them when they have been put on the statute books.

Much is said, in these attacks upon the policy of the present Administration, about the rights of "innocent stockholders." That stockholder is not innocent who voluntarily purchases stock in a corporation whose methods and management he knows to be corrupt; and stockholders are bound to try to secure honest management, or else are estopped from complaining about the proceedings the Government finds necessary in order to compel the corporation to obey the law. There has been in the past grave wrong done innocent stockholders by overcapitalization, stock-watering, stock-jobbing, stock-manipulation. This we have sought to prevent, first, by exposing the thing done and punishing the offender when any existing law had been violated; second, by recommending the passage of laws which would make unlawful similar practices for the future. The public men, lawyers, and editors who loudly proclaim their sympathy for the "innocent stockholders" when a great law-defying corporation is punished are the first to protest with frantic vehemence against all efforts by law to put a stop to the practices which are the real and ultimate sources of the damage alike to the stockholders and the public. The apologists of successful dishonesty always declaim against

any effort to punish or prevent it, on the ground that any such effort will "unsettle business." It is they who by their acts have unsettled business; and the very men raising this cry spend hundreds of thousands of dollars in securing, by speech, editorial, book, or pamphlet, the defence by misstatements of what they have done; and yet when public servants correct their misstatements by telling the truth they declaim against them for breaking silence, lest "values be depreciated." They have hurt honest business men, honest working men, honest farmers; and now they clamor against the truth being told.

The keynote of all these attacks upon the effort to secure honesty in business and in politics is well expressed in brazen protests against any effort for the moral regeneration of the business world, on the ground that it is unnatural, unwarranted, and injurious, and that business panic is the necessary penalty for such effort to secure business honesty. The morality of such a plea is precisely as great as if made on behalf of the men caught in a gambling establishment when that gambling establishment is raided by the police. If such words mean anything they mean that those whose sentiments they represent stand against the effort to bring about a moral regeneration of business which will prevent a repetition of the insurance, banking, and street railroad scandals in New York; a repetition of the Chicago and Alton deal; a repetition of the combination between certain professional politicians, certain professional labor leaders, and certain big financiers, from the disgrace of which San Francisco has just been rescued; a repetition of the succesful effort by the Standard Oil people to

crush out every competitor, to overawe the common carriers, and to establish a monopoly which treats the public with a contempt which the public deserves so long as it permits men of such principles and such sentiments to avow and act on them with impunity. The outcry against stopping dishonest practices among wrong-doers who happen to be wealthy is precisely similar to the outcry raised against every effort for cleanliness and decency in city government, because, forsooth, it will "hurt business." The same outcry is made against the Department of Justice for prosecuting the heads of colossal corporations that has been made against the men who in San Francisco have prosecuted with impartial severity the wrong-doers among business men, public officials, and labor leaders alike. The principle is the same in the two cases. Just as the blackmailer and bribe-giver stand on the same evil eminence of infamy, so the man who makes an enormous fortune by corrupting legislatures and municipalities and fleecing his stockholders and the public, stands on the same moral level with the creature who fattens on the blood money of the gambling-house and the saloon. Moreover, in the last analysis, both kinds of corruption are far more intimately connected than would at first sight appear; the wrong-doing is at bottom the same. Corrupt business and corrupt politics act and react with ever-increasing debasement, one on the other; the corrupt head of a corporation and the corrupt labor leader are both in the same degree the enemies of honest corporations and honest labor unions; the rebate taker, the franchise trafficker, the manipulator of securities, the purveyor and protector of vice, the blackmail-

ing ward boss, the ballot-box stuffer, the demagogue, the mob leader, the hired bully, and man-killer — all alike work at the same web of corruption, and all alike should be abhorred by honest men.

The "business" which is hurt by the movement for honesty is the kind of business which, in the long run, it pays the country to have hurt. It is the kind of business which has tended to make the very name "high finance" a term of scandal to which all honest American men of business should join in putting an end. The special pleaders for business dishonesty, in denouncing the present Administration for enforcing the law against the huge and corrupt corporations which have defied the law, also denounce it for endeavoring to secure sadly needed labor legislation, such as a far-reaching law making employers liable for injuries to their employees. It is meet and fit that the apologists for corrupt wealth should oppose every effort to relieve weak and helpless people from crushing misfortune brought upon them by injury in the business from which they gain a bare livelihood. The burden should be distributed. It is hypocritical baseness to speak of a girl who works in a factory where the dangerous machinery is unprotected as having the "right" freely to contract to expose herself to dangers to life and limb. She has no alternative but to suffer want or else to expose herself to such dangers, and when she loses a hand or is otherwise maimed or disfigured for life, it is a moral wrong that the whole burden of the risk necessarily incidental to the business should be placed with crushing weight upon her weak shoulders, and all who profit by her work

escape scot-free. This is what opponents of a just employers' liability law advocate; and it is consistent that they should usually also advocate immunity for those most dangerous members of the criminal class — the criminals of great wealth.

Our opponents have recently been bitterly criticising the two judges referred to in the accompanying communications from the Standard Oil Company and the Santa Fe Railroad for having imposed heavy fines on these two corporations; and yet these same critics of these two judges exhaust themselves in denouncing the most respectful and cautious discussion of the official action of a judge which results in immunity to wealthy and powerful wrong-doers or which renders nugatory a temperate effort to better the conditions of life and work among those of our fellow countrymen whose need is greatest. Most certainly it behooves us all to treat with the utmost respect the high office of judge; and our judges, as a whole, are brave and upright men. Respect for the law must go hand in hand with respect for the judges; and, as a whole, it is true now as in the past that the judges stand in character and service above all other men among their fellow-servants of the public. There is all the greater need that the few who fail in this great office, who fall below this high standard of integrity, of wisdom, of sympathetic understanding and of courage, should have their eyes opened to the needs of their countrymen. A judge who on the bench either truckles to the mob and shrinks from sternly repressing violence and disorder, or bows down before a corporation; who fails to stand up valiantly for the rights of property on the one hand, or on the other by misuse of the

process of injunction or by his attitude toward all measures for the betterment of the conditions of labor, makes the wage-worker feel with bitterness that the courts are hostile to him; or who fails to realize that all public servants in their several stations must strive to stop the abuses of the criminal rich — such a man performs an even worse service to the body politic than the legislator or executive who goes wrong. The judge who does his full duty well stands higher, and renders a better service to the people, than any other public servant; he is entitled to greater respect; and if he is a true servant of the people, if he is upright, wise and fearless, he will unhesitatingly disregard even the wishes of the people if they conflict with the eternal principles of right as against wrong. He must serve the people; but he must serve his own conscience first. All honor to such a judge; and all honor can not be rendered him if it is rendered equally to his brethren who fall immeasurably below the high ideals for which he stands. Untruthful criticism is wicked at all times, and whoever may be the object; but it is a peculiarly flagrant iniquity when a judge is the object. No man should lightly criticise a judge; no man should, even in his own mind, condemn a judge unless he is sure of the facts. If a judge is assailed for standing against popular folly, and above all for standing against mob violence, all honorable men should rally instantly to his support. Nevertheless if he clearly fails to do his duty by the public in dealing with law-breaking corporations, law-breaking men of wealth, he must expect to feel the weight of public opinion; and this is but right, for except in extreme cases this is the only way

in which he can be reached at all. No servant of the people has a right to expect to be free from just and honest criticism.

The opponents of the measures we champion single out now one and now another measure for especial attack, and speak as if the movement in which we are engaged was purely economic. It has a large economic side, but it is fundamentally an ethical movement. It is not a movement to be completed in one year, or two or three years; it is a movement which must be persevered in until the spirit which lies behind it sinks deep into the heart and the conscience of the whole people. It is always important to choose the right means to achieve our purpose, but it is even more important to keep this purpose clearly before us; and this purpose is to secure national honesty in business and in politics. We do not subscribe to the cynical belief that dishonesty and unfair dealing are essential to business success, and are to be condoned when the success is moderate and applauded when the success is great. The methods by which the Standard Oil people and those engaged in the other combinations of which I have spoken above have achieved great fortunes can only be justified by the advocacy of a system of morality which would also justify every form of criminality on the part of a labor union, and every form of violence, corruption, and fraud, from murder to bribery and ballot-box stuffing in politics. We are trying to secure equality of opportunity for all; and the struggle for honesty is the same whether it is made on behalf of one set of men or of another. In the interest of the small settlers and landowners, and against the embittered opposition of wealthy

owners of huge wandering flocks of sheep, or of corporations desiring to rob the people of coal and timber, we strive to put an end to the theft of public land in the West. When we do this, and protest against the action of all men, whether in public life or in private life, who either take part in or refuse to try to stop such theft, we are really engaged in the same policy as when we endeavor to put a stop to rebates or to prevent the upgrowth of uncontrolled monopolies. Our effort is simply to enforce the principles of common honesty and common-sense. It would indeed be ill for the country should there be any halt in our work.

The laws must in the future be administered as they are now being administered, so that the Department of Justice may continue to be, what it now is, in very fact the Department of Justice, where, so far as our ability permits, justice is meted out with an even hand to great and small, rich and poor, weak and strong. Moreover, there should be no delay in supplementing the laws now on the statute books by the enactment of further legislation as outlined in the message I sent to the Congress on its assembling. Under the existing laws much, very much, has been actually accomplished during the past six years, and it has been shown by actual experience that they can be enforced against the wealthiest corporation and the richest and most powerful manager or manipulator of that corporation, as rigorously and fearlessly as against the humblest offender. Above all, they have been enforced against the very wrong-doers and agents of wrong-doers who have for so many years gone scot-free and flouted the laws with impunity,

against great law-defying corporations of immense wealth, which, until within the last half dozen years, have treated themselves and have expected others to treat them as being beyond and above all possible check from law.

It is especially necessary to secure to the representatives of the National Government full power to deal with the great corporations engaged in interstate commerce, and above all, with the great interstate common carriers. Our people should clearly recognize that while there are difficulties in any course of conduct to be followed in dealing with these great corporations, these difficulties must be faced, and one of three courses followed.

The first course is to abandon all effort to oversee and control their actions in the interest of the general public and to permit a return to the utter lack of control which would obtain if they were left to the common law. I do not for one moment believe that our people would tolerate this position. The extraordinary growth of modern industrialism has rendered the common law, which grew up under and was adapted to deal with totally different conditions, in many respects inadequate to deal with the new conditions. These new conditions make it necessary to shackle cunning as in the past we have shackled force. The vast individual and corporate fortunes, the vast combinations of capital, which have marked the development of our industrial system, create new conditions, and necessitate a change from the old attitude of the State and Nation toward the rules regulating the acquisition and untrammeled business use of property, in order both that property may be adequately

protected, and that at the same time those who hold it may be prevented from wrong-doing.

The second and third courses are to have the regulation undertaken either by the Nation or by the States. Of course in any event both the National Government and the several State Governments must do each its part, and each can do a certain amount that the other can not do, while the only really satisfactory results must be obtained by the representatives of the National and State Governments working heartily together within their respective spheres. But in my judgment thoroughgoing and satisfactory control can in the end only be obtained by the action of the National Government, for almost all the corporations of enormous wealth — that is, the corporations which it is especially desirable to control — are engaged in interstate commerce, and derive their power and their importance not from that portion of their business which is intrastate, but from the interstate business. It is not easy always to decide just where the line of demarcation between the two kinds of business falls. This line must ultimately be drawn by the Federal courts. Much of the effort to secure adequate control of the great corporations by State action has been wise and effective, but much of it has been neither; for when the effort is made to accomplish by the action of the State what can only be accomplished by the action of the Nation, the result can only be disappointment, and in the end the law will probably be declared unconstitutional. So likewise in the National arena, we who believe in the measures herein advocated are hampered and not aided by the extremists who advocate action so violent that it would either be

useless or else would cause more mischief than it would remedy.

In a recent letter from a learned judge of the supreme court of one of the Gulf States, the writer speaks as follows:

"In all matters pertaining to interstate commerce the authority of the National Government already exists and does not have to be acquired, and the exercise of this existing authority can be in no sense a usurpation of, or infringement upon, the rights of the States. On the contrary, had the Federal Government given this question more attention in the past and applied a vigorous check to corporate abuses, conditions would now be better, because the States would have had fewer real or imaginary grievances and have had less cause not only to attempt the exercise of the authority reserved to the National Government, but to act without proper moderation in matters peculiarly within their own provinces. The National Government has been remiss in the past, but even at this late day it can solve this problem, and the sooner the National authority is exercised the less apt are the States to take action which will represent encroachment upon the National domain. There is a field of operations for both powers, and plenty alike for National and State Governments to do in order to protect both the people and the public utilities. The line of demarcation between Federal and State authority can and should be speedily settled by the Federal courts. The fact that the National Government has omitted to exercise the authority conferred upon it by the interstate commerce clause of the Constitution has made the States restive under what they deem corporate abuses and in some

cases has probably stimulated them to go too far in the attempt to correct these abuses, with the result that all measures which they passed, good or bad, have been held up by the Federal courts. The necessary equitable and uniform regulation can not be obtained by the separate action of the States, but only by the affirmative action of the National Government."

This is an appeal by a high State judge, alarmed, as good citizens should be alarmed, by conflicts over the matter of jurisdiction, and by the radical action advocated by honest people smarting from a sense of injury received from corporations; which injury the Federal courts forbid the States to try to remedy, while the Federal Government nevertheless refrains from itself taking adequate measures to provide a remedy. It can not too strongly be insisted that the defenders and apologists of the great corporations, who have sought in the past and still seek to prevent adequate action by the Federal Government to control these great corporations, are not only proving false to the people, but are laying up a day of wrath for the great corporations themselves. The Nation will not tolerate an utter lack of control over very wealthy men of enormous power in the industrial, and therefore in the social lives of all our people, some of whom have shown themselves cynically and brutally indifferent to the interests of the people; and if the Congress does not act, with good-tempered and sensible but resolute thoroughness, in cutting out the evils and in providing an effective supervision, the result is certain to be action on the part of the separate States, sometimes wise, sometimes ill-judged and extreme, sometimes unjust and

damaging to the railroads or other corporations, more often ineffective from every standpoint, because the Federal courts declare it unconstitutional.

We have just passed through two months of acute financial stress. At any such time it is a sad fact that entirely innocent people suffer from no fault of their own; and every one must feel the keenest sympathy for the large body of honest business men, of honest investors, of honest wage-workers, who suffer because involved in a crash for which they are in no way responsible. At such a time there is a natural tendency on the part of many men to feel gloomy and frightened at the outlook; but there is no justification for this feeling. There is no nation so absolutely sure of ultimate success as ours. Of course we shall succeed. Ours is a Nation of masterful energy, with a continent for its domain, and it feels within its veins the thrill which comes to those who know that they possess the future. We are not cast down by the fear of failure. We are upheld by the confident hope of ultimate triumph. The wrongs that exist are to be corrected; but they in no way justify doubt as to the final outcome, doubt as to the great material prosperity of the future, or of the lofty spiritual life which is to be built upon that prosperity as a foundation. No misdeeds done in the present must be permitted to shroud from our eyes the glorious future of the Nation; but because of this very fact it behooves us never to swerve from our resolute purpose to cut out wrong-doing and uphold what is right.

I do not for a moment believe that the actions of this Administration have brought on business

distress; so far as this is due to local and not world-wide causes, and to the actions of any particular individuals, it is due to the speculative folly and flagrant dishonesty of a few men of great wealth, who seek to shield themselves from the effects of their own wrong-doing by ascribing its results to the actions of those who have sought to put a stop to the wrong-doing. But if it were true that to cut out rottenness from the body politic meant a momentary check to an unhealthy seeming prosperity, I should not for one moment hesitate to put the knife to the corruption. On behalf of all our people, on behalf no less of the honest man of means than of the honest man who earns each day's livelihood by that day's sweat of his brow, it is necessary to insist upon honesty in business and politics alike, in all walks of life, in big things and in little things; upon just and fair dealing as between man and man. Those who demand this are striving for the right in the spirit of Abraham Lincoln when he said:

"Fondly do we hope, fervently do we pray, that this mighty scourge may speedily pass away. Yet, if God wills that it continue until all the wealth piled by the bondsmen's two hundred and fifty years of unrequited toil shall be sunk, and until every drop of blood drawn with the lash shall be paid by another drawn with the sword, as was said three thousand years ago, so still it must be said, 'The judgments of the Lord are true and righteous altogether.'

"With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in."

In the work we of this generation are in, there is, thanks be to the Almighty, no danger of bloodshed and no use for the sword; but there is grave need of those stern qualities shown alike by the men of the North and the men of the South in the dark days when each valiantly battled for the light as it was given each to see the light. Their spirit should be our spirit, as we strive to bring nearer the day when greed and trickery and cunning shall be trampled under foot by those who fight for the righteousness that exalteth a nation.

CHILD LABOR IN THE DISTRICT OF COLUMBIA

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, MARCH 25, 1908

I CALL your attention to certain measures as to which I think there should be action by the congress before the close of the present session. There is ample time for their consideration. As regards most, if not all, of the matters, bills have been introduced into one or the other of the two houses, and it is not too much to hope that action will be taken one way or the other on these bills at the present session. In my message at the opening of the present session, and, indeed, in various messages to previous congresses, I have repeatedly suggested action on most of these measures.

Child labor should be prohibited throughout the nation. At least a model child labor bill should be passed for the District of Columbia. It is unfortunate that in the one place solely dependent upon congress for its legislation there

should be no law whatever to protect children by forbidding or regulating their labor.

LIABILITY OF EMPLOYERS

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, MARCH 25, 1908

I RENEW my recommendation for the immediate re-enactment of an employers' liability law, drawn to conform to the recent decision of the Supreme Court. Within the limits indicated by the court, the law should be made thorough and comprehensive, and the protection it affords should embrace every class of employee to which the power of the congress can extend.

In addition to a liability law protecting the employees of common carriers, the government should show its good faith by enacting a further law giving compensation to its employees for injury and death incurred in its service. It is a reproach to us as a nation that in both federal and state legislation we have given less protection to public and private employees than any other industrial country of the world.

INJUNCTIONS IN LABOR DISPUTES

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, MARCH 25, 1908

I ALSO urge that action be taken along the line of the recommendations I have already made concerning injunctions in labor disputes. No temporary restraining order should be issued by any court without notice; and the petition for

a permanent injunction upon which such temporary restraining order has been issued should be heard by the court issuing the same within a reasonable time — say, not to exceed a week or thereabouts from the date when the order was issued. It is worth considering whether it would not give greater popular confidence in the impartiality of sentences for contempt if it was required that the issue should be decided by another judge than the one issuing the injunction, except where the contempt is committed in the presence of the court, or in other case of urgency.

TRADE AGREEMENTS AND LABOR COMBINATIONS

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, MARCH 25, 1908

I AGAIN call attention to the urgent need of amending the interstate commerce law, and especially the antitrust law, along lines indicated in my last message. The interstate commerce law should be amended so as to give railroads the right to make traffic agreements, subject to these agreements being approved by the Interstate Commerce Commission and published in all of their details. The commission should also be given the power to make public and to pass upon the issuance of all securities hereafter issued by railroads doing an interstate commerce business.

A law should be passed providing in effect that when a federal court determines to place a common carrier or other public utility concern

under the control of a receivership, the attorney-general should have the right to nominate at least one of the receivers; or else in some other way the interests of the stockholders should be consulted, so that the management may not be wholly redelivered to the man or men the failure of whose policy may have necessitated the creation of the receivership. Receiverships should be used, not to operate roads, but as speedily as possible to pay their debts and return them to the proper owners.

In addition to the reasons I have already urged on your attention, it has now become important that there should be an amendment of the anti-trust law, because of the uncertainty as to how this law affects combinations among labor men and farmers, if the combination has any tendency to restrict interstate commerce. All of these combinations, if and while existing for and engaged in the promotion of innocent and proper purposes, should be recognized as legal.

As I have repeatedly pointed out, this anti-trust law was a most unwisely drawn statute. It was perhaps inevitable that, in feeling after the right remedy, the first attempts to provide such should be crude; and it was absolutely imperative that some legislation should be passed to control, in the interest of the public, the business use of the enormous aggregations of corporate wealth that are so marked a feature of the modern industrial world. But the present anti-trust law, in its construction and working, has exemplified only too well the kind of legislation which, under the guise of being thoroughgoing, is drawn up in such sweeping form as

to become either ineffective or else mischievous.

In the modern industrial world combinations are absolutely necessary; they are necessary among business men, they are necessary among laboring men, they are becoming more and more necessary among farmers. Some of these combinations are among the most powerful of all instruments for wrongdoing. Others offer the only effective way of meeting actual business needs. It is mischievous and unwholesome to keep upon the statute books unmodified a law, like the antitrust law, which, while in practice only partially effective against vicious combinations, has nevertheless in theory been construed so as sweepingly to prohibit every combination for the transaction of modern business. Some real good has resulted from this law. But the time has come when it is imperative to modify it. Such modification is urgently needed for the sake of the busines men of the country, for the sake of the wageworkers, and for the sake of the farmers. The congress can not afford to leave it on the statute books in its present shape.

It has now become uncertain how far this law may involve all labor organizations and farmers' organizations, as well as all business organizations, in conflict with the law; or, if we secure literal compliance with the law, how far it may result in the destruction of the organizations necessary for the transaction of modern business as well as of all labor organizations and farmers' organizations, completely check the wise movement for securing business co-operation among farmers, and put back half a century the progress of the movement for the better-

ment of labor. A bill has been presented in the congress to remedy this situation. Some such measure as this bill is needed in the interest of all engaged in the industries which are essential to the country's well-being. I do not pretend to say the exact shape that the bill should take, and the suggestions I have to offer are tentative; and my views would apply equally to any other measure which would achieve the desired end. Bearing this in mind, I would suggest, merely tentatively, the following changes in the law:

The substantive part of the anti-trust law should remain as at present; that is, every contract in restraint of trade or commerce among the several states or with foreign nations should continue to be declared illegal; provided, however, that some proper governmental authority (such as the Commissioner of Corporations acting under the Secretary of Commerce and Labor) be allowed to pass on any such contracts. Probably the best method of providing for this would be to enact that any contract, subject to the prohibition contained in the antitrust law, into which it was desired to enter, might be filed with the Bureau of Corporations or other appropriate executive body. This would provide publicity. Within, say, sixty days of the filing — which period could be extended by order of the department whenever for any reason it did not give the department sufficient time for a thorough examination — the executive department having power might forbid the contract, which would then become subject to the provisions of the antitrust law, if at all in restraint of trade.

If no such prohibition was issued, the contract would then only be liable to attack on the ground that it constituted an unreasonable restraint of trade. Whenever the period of filing had passed without any such prohibition, the contracts or combinations could be disapproved or forbidden only after notice and hearing with a reasonable provision for summary review on appeal by the courts. Labor organizations, farmers' organizations, and other organizations not organized for purposes of profit, should be allowed to register under the law by giving the location of the head office, the charter and by-laws, and the names and addresses of their principal officers. In the interest of all these organizations — business, labor, and farmers' organizations alike — the present provision permitting the recovery of threefold damages should be abolished, and as a substitute therefor the right of recovery allowed for should be only the damages sustained by the plaintiff and the cost of suit, including a reasonable attorney's fee.

The law should not affect pending suits; a short statute of limitations should be provided, so far as the past is concerned, not to exceed a year. Moreover, and even more in the interest of labor than of business combinations, all such suits brought for causes of action heretofore occurred should be brought only if the contract or combination complained of was unfair and unreasonable. It may be well to remember that all of the suits hitherto brought by the government under the antitrust law have been in cases where the combination or contract was in fact unfair, unreasonable, and against the public interest.

It is important that we should encourage trade agreements between employer and employee where they are just and fair. A strike is a clumsy weapon for righting wrongs done to labor, and we should extend, so far as possible, the process of conciliation and arbitration as a substitute for strikes. Moreover, violence, disorder and coercion, when committed in connection with strikes, should be as promptly and as sternly repressed as when committed in any other connection. But strikes themselves are, and should be, recognized to be entirely legal. Combinations of workingmen have a peculiar reason for their existence. The very wealthy individual employer, and still more the very wealthy corporation, stand at an enormous advantage when compared to the individual workingman; and while there are many cases where it may not be necessary for laborers to form a union, in many other cases it is indispensable, for otherwise the thousands of small units, the thousands of individual workingmen, will be left helpless in their dealings with the one big unit, the big individual or corporate employer.

Twenty-two years ago, by the act of June 29, 1886, trades unions were recognized by law, and the right of laboring people to combine for all lawful purposes was formally recognized, this right including combination for mutual protection and benefits, the regulation of wages, hours and conditions of labor, and the protection of the individual rights of the workmen in the prosecution of their trade or trades; and in the act of June 1, 1898, strikes were recognized as legal in the same provision that forbade participation in or instigation of force or violence

against persons or property, or the attempt to prevent others from working by violence, threat, or intimidation. The business man must be protected in person and property, and so must the farmer and the wageworker; and as regards all alike, the right of peaceful combination for all lawful purposes should be explicitly recognized.

The right of employers to combine and contract with one another and with their employees should be explicitly recognized, and so should the right of the employees to combine and to contract with one another and with the employers, and to seek peaceably to persuade others to accept their views, and to strike for the purpose of peaceably obtaining from employers satisfactory terms for their labor. Nothing should be done to legalize either a blacklist or a boycott that would be illegal at common law; this being the type of boycott defined and condemned by the Anthracite Strike Commission.

POSTAL SAVINGS BANKS

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, MARCH 25, 1908

THE question of financial legislation is now receiving such attention in both houses that we have a right to expect action before the close of the session. It is urgently necessary that there should be such action. Moreover, action should be taken to establish postal savings banks. These postal savings banks are imperatively needed for the benefit of the wageworkers and men of small means, and will be a valuable adjunct to our whole financial system.

REVISION OF THE TARIFF

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, MARCH 25, 1908

THE time has come when we should prepare for a revision of the tariff. This should be, and indeed must be, preceded by careful investigation. It is peculiarly the province of the congress and not of the President, and indeed peculiarly the province of the House of Representatives, to originate a tariff bill and to determine upon its terms; and this I fully realize. Yet it seems to me that before the close of this session provision should be made for collecting full material which will enable the congress elected next fall to act immediately after it comes into existence. This would necessitate some action by the congress at its present session, perhaps in the shape of directing the proper committee to gather the necessary information, both through the committee itself and through government agents who should report to the committee and should lay before it the facts which would permit it to act with prompt and intelligent fairness. These government agents, if it is not deemed wise to appoint individuals from outside the public service, might, with advantage, be members of the executive departments, designated by the President, on his own motion or on the request of the committee, to act with it.

I am of the opinion, however, that one change in the tariff could with advantage be made forthwith. Our forests need every protection, and one method of protecting them would be to put

upon the free list wood pulp, with a corresponding reduction upon paper made from wood pulp, when they come from any country that does not put an export duty upon them.

OUR INLAND WATERWAYS

FROM A MESSAGE OF THE PRESIDENT READ BEFORE CONGRESS, MARCH 25, 1908

AMPLE provision should be made for a permanent waterways commission, with whatever power is required to make it effective. The reasonable expectation of the people will not be met unless the congress provides at this session for the beginning and prosecution of the actual work of waterway improvement and control. The congress should recognize in fullest fashion the fact that the subject of the conservation of our natural resources, with which this commission deals, is literally vital for the future of the nation.

Numerous bills granting water power rights on navigable streams have been introduced. None of them give the government the right to make a reasonable charge for the valuable privileges so granted, in spite of the fact that these water power privileges are equivalent to many thousands of acres of the best coal lands for their production of power. Nor is any definite time limit set, as should always be done in such cases. I shall be obliged hereafter, in accordance with the policy stated in a recent message, to veto any water power bill which does not provide for a time limit and for the right of the President or of the secretary concerned to fix and collect such a charge as he may find to be just and reasonable in each case.